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Senate File 413

H-8023

- 1 Amend Senate File 413, as passed by the Senate, as
- 2 follows:
- 3 1. Page 2, line 8, by striking <may> and inserting
- 4 <shall>

WAGNER of Linn



Iowa General Assembly
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House File 2297 - Introduced

HOUSE FILE 2297
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO HSB 598)

A BILL FOR

1 An Act making a transfer to the veterans trust fund and
2 including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5919HV (1) 84
jp/sc



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H.F. 2297

1 Section 1. TRANSFER TO VETERANS TRUST FUND. At the
2 close of the fiscal year beginning July 1, 2011, following
3 the appropriations made to the cash reserve fund pursuant
4 to section 8.57, subsections 1 and 3, and the Iowa economic
5 emergency fund pursuant to section 8.57, subsection 4, and
6 following any transfer made from the Iowa economic emergency
7 fund to the taxpayers trust fund pursuant to section 8.55,
8 subsection 2, paragraph "a", subparagraph (1), from the excess
9 moneys that remain, an amount sufficient for the balance of
10 the veterans trust fund created in section 35A.13 to reach
11 fifty million dollars, up to the amount of excess moneys that
12 remains, shall be transferred to the veterans trust fund,
13 and any remaining excess shall be transferred to the general
14 fund of the state as provided in section 8.55, subsection 2,
15 paragraph "a", subparagraph (2).

16 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
17 immediate importance, takes effect upon enactment.

18 EXPLANATION

19 This bill provides for a one-time transfer of moneys from
20 the Iowa economic emergency fund to the veterans trust fund
21 at the close of fiscal year 2011-2012. The bill provides for
22 the transfer to be made after the standing appropriations of
23 the amounts necessary for the cash reserve fund and the Iowa
24 economic emergency fund to each reach their maximum balance.

25 Under current law, when the economic emergency fund has
26 reached its maximum balance, the first \$60 million of the
27 excess, limited to the difference between the actual net
28 revenue for the general fund of the state for the fiscal year
29 and the adjusted revenue estimate for the fiscal year, is
30 transferred to the taxpayers trust fund. The bill provides
31 that from the excess moneys that remain following the taxpayers
32 trust fund transfer, an amount sufficient for the balance in
33 the veterans trust fund to reach \$50 million up to the amount
34 of excess moneys that remains is to be transferred to the
35 veterans trust fund. Any remaining excess is to be transferred

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1 to the general fund of the state, as is provided by current
2 law.

3 The bill takes effect upon enactment.



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House File 2298 - Introduced

HOUSE FILE 2298
BY PEARSON

A BILL FOR

1 An Act relating to the prohibition of terminations of pregnancy
2 and abortions, providing penalties, and including effective
3 date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5830HH (2) 84
pf/nh



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1 Section 1. Section 135.1, unnumbered paragraph 1, Code
2 2011, is amended to read as follows:
3 For the purposes of chapter 155 and Title IV, subtitle 2,
4 ~~excluding chapter 146~~, unless otherwise defined:
5 Sec. 2. Section 135.11, subsections 10 and 12, Code
6 Supplement 2011, are amended to read as follows:
7 10. Enforce the law relative to ~~chapter 146 and~~
8 "Health-related Professions", Title IV, subtitle 3, excluding
9 chapter 155.
10 12. Establish, publish, and enforce rules not inconsistent
11 with law for the enforcement of the provisions of chapters 125
12 and 155, and Title IV, subtitle 2, ~~excluding chapter 146 and~~
13 for the enforcement of the various laws, the administration and
14 supervision of which are imposed upon the department.
15 Sec. 3. Section 144.29A, subsections 1 and 2, Code 2011, are
16 amended to read as follows:
17 1. A health care provider who initially identifies and
18 diagnoses a spontaneous termination of pregnancy ~~or who induces~~
19 ~~a termination of pregnancy~~ shall file with the department
20 a report for each termination within thirty days of the
21 occurrence. The health care provider shall make a good faith
22 effort to obtain all of the following information that is
23 available with respect to each termination:
24 a. The confidential health care provider code as assigned
25 by the department.
26 b. The report tracking number.
27 c. The maternal health services region of the Iowa
28 department of public health, as designated as of July 1, 1997,
29 in which the patient resides.
30 d. The race of the patient.
31 e. The age of the patient.
32 f. The marital status of the patient.
33 g. The educational level of the patient.
34 h. The number of previous pregnancies, live births, and
35 spontaneous ~~or induced~~ terminations of pregnancies.

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1 *i.* The month and year in which the termination occurred.
2 *j.* The number of weeks since the patient's last menstrual
3 period and a clinical estimate of gestation.
4 ~~*k.* The method used for an induced termination, including~~
5 ~~whether mifepristone was used.~~
6 2. It is the intent of the general assembly that the
7 information shall be collected, reproduced, released, and
8 disclosed in a manner specified by rule of the department,
9 adopted pursuant to chapter 17A, which ensures the anonymity
10 of the patient who experiences a termination of pregnancy,
11 the health care provider who identifies and diagnoses ~~or~~
12 ~~induces~~ a termination of pregnancy, and the hospital, clinic,
13 or other health facility in which a termination of pregnancy
14 is identified and diagnosed ~~or induced~~. The department may
15 share information with federal public health officials for
16 the purposes of securing federal funding or conducting public
17 health research. However, in sharing the information, the
18 department shall not relinquish control of the information,
19 and any agreement entered into by the department with federal
20 public health officials to share information shall prohibit the
21 use, reproduction, release, or disclosure of the information
22 by federal public health officials in a manner which violates
23 this section. The department shall publish, annually, a
24 demographic summary of the information obtained pursuant to
25 this section, except that the department shall not reproduce,
26 release, or disclose any information obtained pursuant to this
27 section which reveals the identity of any patient, health care
28 provider, hospital, clinic, or other health facility, and shall
29 ensure anonymity in the following ways:
30 *a.* The department may use information concerning the report
31 tracking number or concerning the identity of a reporting
32 health care provider, hospital, clinic, or other health
33 facility only for purposes of information collection. The
34 department shall not reproduce, release, or disclose this
35 information for any purpose other than for use in annually



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1 publishing the demographic summary under this section.

2 **b.** The department shall enter the information, from
3 any report of termination submitted, within thirty days of
4 receipt of the report, and shall immediately destroy the
5 report following entry of the information. However, entry of
6 the information from a report shall not include any health
7 care provider, hospital, clinic, or other health facility
8 identification information including, but not limited to, the
9 confidential health care provider code, as assigned by the
10 department.

11 **c.** To protect confidentiality, the department shall limit
12 release of information to release in an aggregate form which
13 prevents identification of any individual patient, health care
14 provider, hospital, clinic, or other health facility. For the
15 purposes of this paragraph, "*aggregate form*" means a compilation
16 of the information received by the department on termination
17 of pregnancies for each information item listed, with the
18 exceptions of the report tracking number, the health care
19 provider code, and any set of information for which the amount
20 is so small that the confidentiality of any person to whom the
21 information relates may be compromised. The department shall
22 establish a methodology to provide a statistically verifiable
23 basis for any determination of the correct amount at which
24 information may be released so that the confidentiality of any
25 person is not compromised.

26 Sec. 4. Section 144.29A, subsection 8, Code 2011, is amended
27 by striking the subsection.

28 Sec. 5. Section 216.6, subsection 2, paragraph c, Code 2011,
29 is amended by striking the paragraph.

30 Sec. 6. Section 216.13, Code 2011, is amended to read as
31 follows:

32 **216.13 Exceptions for retirement plans, ~~abortion coverage,~~**
33 **life, disability, and health benefits.**

34 The provisions of this chapter relating to discrimination
35 because of age do not apply to a retirement plan or benefit

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1 system of an employer unless the plan or system is a mere
2 subterfuge adopted for the purpose of evading this chapter.
3 1. However, a retirement plan or benefit system shall not
4 require the involuntary retirement of a person under the age of
5 seventy because of that person's age. This paragraph does not
6 prohibit the following:

7 a. The involuntary retirement of a person who has attained
8 the age of sixty-five and has for the two prior years been
9 employed in a bona fide executive or high policymaking position
10 and who is entitled to an immediate, nonforfeitable annual
11 retirement benefit from a pension, profit-sharing, savings,
12 or deferred compensation plan of the employer which equals
13 twenty-seven thousand dollars. This retirement benefit test
14 may be adjusted according to the regulations prescribed by
15 the United States secretary of labor pursuant to Pub. L. No.
16 95-256, section 3.

17 b. The involuntary retirement of a person covered by a
18 collective bargaining agreement which was entered into by a
19 labor organization and was in effect on September 1, 1977.
20 This exemption does not apply after the termination of that
21 agreement or January 1, 1980, whichever first occurs.

22 ~~2. A health insurance program provided by an employer may~~
23 ~~exclude coverage of abortion, except where the life of the~~
24 ~~mother would be endangered if the fetus were carried to term or~~
25 ~~where medical complications have arisen from an abortion.~~

26 ~~3.~~ 2. An employee welfare plan may provide life, disability
27 or health insurance benefits which vary by age based on
28 actuarial differences if the employer contributes equally for
29 all the participating employees or may provide for employer
30 contributions differing by age if the benefits for all the
31 participating employees do not vary by age.

32 Sec. 7. Section 602.8102, subsection 31, Code 2011, is
33 amended by striking the subsection.

34 Sec. 8. Section 707.7, Code 2011, is amended to read as
35 follows:

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1 **707.7 Feticide.**

2 1. Any person who intentionally terminates a human
3 pregnancy, with the knowledge and voluntary consent of the
4 pregnant person, ~~after the end of the second trimester of the~~
5 ~~pregnancy~~ where death of the fetus results, commits feticide.
6 Feticide is a class "C" "A" felony.

7 2. Any person who attempts to intentionally terminate a
8 human pregnancy, with the knowledge and voluntary consent of
9 the pregnant person, ~~after the end of the second trimester of~~
10 ~~the pregnancy~~ where death of the fetus does not result, commits
11 attempted feticide. Attempted feticide is a class "D" "B"
12 felony.

13 3. ~~Any person who terminates a human pregnancy, with the~~
14 ~~knowledge and voluntary consent of the pregnant person, who~~
15 ~~is not a person licensed to practice medicine and surgery~~
16 ~~or osteopathic medicine and surgery under the provisions of~~
17 ~~chapter 148, commits a class "C" felony. For the purposes of~~
18 this section, "termination of a human pregnancy" means the use
19 of any means to terminate the pregnancy of a woman known to be
20 pregnant with the intent other than to produce a live birth
21 or to remove a dead fetus. "Termination of a human pregnancy"
22 does not include a fetal death as defined in section 144.1 or
23 the spontaneous termination of pregnancy as defined in section
24 144.29A.

25 4. ~~This section shall not apply to the termination of a~~
26 ~~human pregnancy performed by a physician licensed in this state~~
27 ~~to practice medicine or surgery or osteopathic medicine or~~
28 ~~surgery when in the best clinical judgment of the physician~~
29 ~~the termination is performed to preserve the life or health~~
30 ~~of the pregnant person or of the fetus and every reasonable~~
31 ~~medical effort not inconsistent with preserving the life of the~~
32 ~~pregnant person is made to preserve the life of a viable fetus.~~
33 Section 703.1 relating to aiding and abetting and section 703.2
34 relating to joint criminal conduct shall apply to persons
35 knowingly participating or concerned in the commission of



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1 feticide or attempted feticide under this section.

2 Sec. 9. Section 707.8, Code 2011, is amended to read as
3 follows:

4 **707.8 Nonconsensual termination — serious injury to a human**
5 **pregnancy.**

6 1. A person who terminates a human pregnancy without the
7 consent of the pregnant person during the commission of a
8 forcible felony is guilty of a class ~~"B"~~ "A" felony.

9 2. A person who terminates a human pregnancy without
10 the consent of the pregnant person during the commission of
11 a felony or felonious assault is guilty of a class ~~"C"~~ "B"
12 felony.

13 3. A person who intentionally terminates a human pregnancy
14 without the knowledge and voluntary consent of the pregnant
15 person is guilty of a class ~~"C"~~ "A" felony.

16 4. A person who unintentionally terminates a human
17 pregnancy by any of the means provided pursuant to section
18 707.6A, subsection 1, is guilty of a class ~~"C"~~ "B" felony.

19 5. A person who by force or intimidation procures the
20 consent of the pregnant person to a termination of a human
21 pregnancy is guilty of a class ~~"C"~~ "B" felony.

22 6. A person who unintentionally terminates a human
23 pregnancy while drag racing in violation of section 321.278 is
24 guilty of a class ~~"D"~~ "C" felony.

25 7. A person who unintentionally terminates a human
26 pregnancy without the knowledge and voluntary consent of the
27 pregnant person by the commission of an act in a manner likely
28 to cause the termination of or serious injury to a human
29 pregnancy is guilty of ~~an aggravated misdemeanor~~ a class "D"
30 felony.

31 8. A person commits ~~an aggravated misdemeanor~~ a class "D"
32 felony when the person intentionally causes serious injury
33 to a human pregnancy by the commission of an act in a manner
34 likely to cause the termination of or serious injury to a human
35 pregnancy.



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1 9. A person commits ~~an aggravated misdemeanor~~ a class "D"
2 felony when the person unintentionally causes serious injury
3 to a human pregnancy by any of the means described in section
4 707.6A, subsection 1.

5 10. A person commits ~~a serious~~ an aggravated misdemeanor
6 when the person unintentionally causes serious injury to a
7 human pregnancy by the commission of an act in a manner likely
8 to cause the termination of or serious injury to the human
9 pregnancy.

10 11. For the purposes of this section "*serious injury to*
11 *a human pregnancy*" means, relative to the human pregnancy,
12 disabling mental illness, or bodily injury which creates a
13 substantial risk of death or which causes serious permanent
14 disfigurement, or protracted loss or impairment of the function
15 of any bodily member or organ, and includes but is not limited
16 to skull fractures, rib fractures, and metaphyseal fractures
17 of the long bones.

18 12. As used in this section, actions which cause the
19 termination of or serious injury to a pregnancy do not apply
20 to any of the following:

21 a. An unintentional act or omission of the pregnant person.

22 b. A termination of or a serious injury to a pregnancy
23 which is caused by the performance of an approved medical
24 procedure performed by a person licensed in this state to
25 practice medicine and surgery or osteopathic medicine and
26 surgery, irrespective of the duration of the pregnancy and
27 with or without the voluntary consent of the pregnant person
28 when circumstances preclude the pregnant person from providing
29 consent.

30 c. An act committed in self-defense or in defense of another
31 person or any other act committed if legally justified or
32 excused.

33 Sec. 10. REPEALS.

34 1. Sections 232.5, 707.8A, 707.9, and 707.10, Code 2011,
35 are repealed.

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1 2. Chapters 135L and 146, Code 2011, are repealed.
2 Sec. 11. SEVERABILITY. If any provision of this Act or
3 the application of this Act to any person or circumstances is
4 held invalid, the invalidity shall not affect other provisions
5 or applications of the Act which can be given effect without
6 the invalid provisions or application and, to this end, the
7 provisions of this Act are severable.
8 Sec. 12. EFFECTIVE UPON ENACTMENT. This Act, being deemed
9 of immediate importance, takes effect upon enactment.

10 EXPLANATION

11 This bill relates to prohibiting abortions.
12 The bill makes conforming changes throughout the Code to
13 eliminate any reference to allowing abortions or terminations
14 of pregnancy. The bill amends the termination of pregnancy
15 reporting section (Code section 144.29A) to only include the
16 reporting of spontaneous terminations of pregnancy.
17 The bill amends a Code section relating to unfair employment
18 practices (Code section 216.6) to eliminate references to
19 disabilities caused or contributed to by legal abortion.
20 The bill amends a Code section relating to discrimination
21 relating to health insurance abortion coverage (Code section
22 216.13) to eliminate the reference to abortion coverage.
23 The bill amends Code section 707.7 (feticide) to provide
24 for application of the elements of the crime of feticide
25 at any point in the pregnancy rather than only after the
26 end of the second trimester. The bill also increases the
27 penalty from a class "C" felony to a class "A" felony for the
28 intentional termination of a human pregnancy with the knowledge
29 and voluntary consent of the pregnant person when the death
30 of the fetus results. (A class "C" felony is punishable by
31 confinement for no more than 10 years and a fine of at least
32 \$1,000 but not more than \$10,000; and a class "A" felony is
33 punishable by confinement for life without possibility of
34 parole). The bill also increases the penalty from a class "D"
35 felony to a class "B" felony for the intentional termination of

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1 a human pregnancy with the knowledge and voluntary consent of
2 the pregnant person when death of the fetus does not result.
3 (A class "D" felony is punishable by confinement for no more
4 than five years and a fine of at least \$750 but not more than
5 \$7,500; and a class "B" felony is punishable by confinement
6 for no more than 25 years.) The bill also provides that the
7 offenses of aiding and abetting and joint criminal conduct
8 apply to commission of a feticide.

9 The bill amends Code section 707.8 (nonconsensual
10 termination — serious injury to a human pregnancy) to increase
11 the penalties for each offense. The amendment to the Code
12 section also exempts an act or omission by the pregnant person
13 only if the act or omission was unintentional.

14 The bill strikes and repeals Code provisions that relate
15 to allowing abortions under certain circumstances. The bill
16 repeals Code section 232.5 (abortion performed on a minor
17 — waiver of notification proceedings), Code section 707.8A
18 (partial birth abortion), Code section 707.9 (murder of a fetus
19 aborted alive), Code section 707.10 (duty to preserve the life
20 of the fetus), Code chapter 135L (notification requirements
21 regarding pregnant minors), and Code chapter 146 (abortions —
22 refusal to perform). The bill also makes conforming changes
23 to strike references to Code provisions stricken or repealed
24 in the bill.

25 The bill provides for severability of any provision
26 or application of the bill that is held invalid from the
27 provisions or applications of the bill which can be given
28 effect without the invalid provisions or application. The bill
29 takes effect upon enactment.



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House File 2299 - Introduced

HOUSE FILE 2299
BY WAGNER

A BILL FOR

1 An Act relating to the extension of the effective date of a
2 driver's license for a person serving on active duty in
3 military service.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5358YH (2) 84
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H.F. 2299

1 Section 1. Section 321.198, subsection 1, Code 2011, is
2 amended to read as follows:
3 1. a. The effective date of a valid driver's license issued
4 under the laws of this state, held by any person at the time of
5 entering the military service of the United States or of the
6 state of Iowa, notwithstanding the expiration of the license
7 according to its terms, is hereby extended without fee until
8 six months following the initial separation from active duty
9 of the person from the military service, provided the person
10 is not suffering from physical disabilities which impair the
11 person's competency as an operator, and provided further that
12 the licensee shall furnish, upon demand of any peace officer,
13 satisfactory evidence of the person's military service.
14 However, a person entitled to the benefits of this section
15 who is charged with operating a motor vehicle without a valid
16 driver's license shall not be convicted if the person produces
17 in court, within a reasonable time, a valid driver's license
18 previously issued to that person along with satisfactory
19 evidence of the person's military service as provided in this
20 paragraph.
21 b. The department is authorized to renew any driver's
22 license falling within the provisions and limitations of
23 paragraph "a", without examination, upon application and
24 payment of fee made within six months following separation from
25 the military service.
26 c. For purposes of this subsection, a United States
27 department of defense common access card issued to a person is
28 satisfactory evidence of the person's current military service,
29 and a certificate of release or discharge from active duty,
30 commonly referred to as a DD214, is satisfactory evidence
31 of a person's previous military service and separation from
32 active duty. A person who produces a valid driver's license
33 previously issued to the person along with the person's
34 common access card or DD214 shall not be required to produce
35 any additional documentation to satisfy the requirements of



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1 paragraph "a".

2 EXPLANATION

3 Currently, Code section 321.198 provides that the effective
4 date of a driver's license held by a person at the time of
5 entering the military service of the United States or of
6 the state of Iowa is extended without fee until six months
7 following the person's initial separation from active duty.
8 The person is required to furnish, upon demand of any peace
9 officer, satisfactory evidence of the person's military
10 service. If the person is charged with driving without a
11 valid driver's license, the person may avoid conviction by
12 producing in court, within a reasonable time, the driver's
13 license previously issued to the person along with evidence of
14 the person's military service. Form 430028, available from the
15 department of transportation, explains the statutory provisions
16 regarding military extensions. Pursuant to administrative
17 rule, the department recommends that a person who qualifies for
18 the military extension should request the form and carry it
19 with the person's driver's license for verification to peace
20 officers.

21 This bill amends Code section 321.198 to specify that
22 a person's department of defense common access card is
23 satisfactory evidence of current military service, and a
24 certificate of release or discharge from active duty, known
25 as a DD214, is satisfactory evidence of a person's previous
26 military service and discharge from active duty. The bill
27 provides that a person who produces either a common access card
28 or DD214, along with the driver's license previously issued to
29 the person, shall not be required to produce any additional
30 documentation to a peace officer or to a court in order to
31 satisfy the requirements for a military extension.



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House File 2300 - Introduced

HOUSE FILE 2300

BY PETTENGILL, J. TAYLOR, and
HALL

A BILL FOR

1 An Act relating to the state housing credit ceiling allocation
2 and including effective date and retroactive applicability
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:



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H.F. 2300

1 Section 1. Section 16.52, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 2A. In the event the authority considers
4 local government contributions as a factor in adopting and
5 applying the allocation rules pursuant to subsection 2, the
6 authority shall consider the value of a tax exemption provided
7 by a city or county, or an agency, department, or similar
8 subunit thereof, to be a local government contribution.

9 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
10 immediate importance, takes effect upon enactment.

11 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
12 retroactively to January 1, 2012.

13 EXPLANATION

14 This bill applies to the low-income housing tax credit
15 program administered through the Iowa finance authority
16 pursuant to Code section 16.52.

17 The Iowa finance authority is required to adopt rules
18 and allocation procedures for the allocation of the federal
19 low-income housing tax credits based on several factors listed
20 in Code section 16.52. The Iowa finance authority incorporates
21 the factors into a qualified allocation plan, which it then
22 uses to analyze and score applications for the tax credit.

23 Under the current qualified allocation plan, the Iowa
24 finance authority considers local government contributions
25 as one of its scoring factors relating to the location of
26 the proposed housing project, but does not consider the
27 value of a tax exemption provided by a city or county,
28 or an agency, department, or similar subunit thereof, to
29 be a local government contribution. The bill amends Code
30 section 16.52 to provide that if the Iowa finance authority
31 considers local government contributions in adopting and
32 applying its allocation rules, it shall consider the value
33 of a tax exemption provided by a city or county, or an
34 agency, department, or similar subunit thereof, to be a local
35 government contribution.

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1 The bill takes effect upon enactment and applies
2 retroactively to January 1, 2012.



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House File 2301 - Introduced

HOUSE FILE 2301
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 574)

A BILL FOR

1 An Act requiring advance notification to utilities by specified
2 owners of alternate energy production facilities of
3 construction or installation of the facility.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5944HV (2) 84
rn/sc



Iowa General Assembly
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H.F. 2301

1 Section 1. **NEW SECTION. 476.6A Alternate energy production**
2 **facilities — notification requirements.**

3 1. On and after January 1, 2013, the owner of an alternate
4 energy production facility, as defined in section 476.42, which
5 when constructed or installed will be attached to an electric
6 transmission or distribution line or attached to equipment
7 which is attached to an electric transmission or distribution
8 line, who has not entered into a power purchase agreement
9 with a public utility, shall be subject to the notification
10 requirements of subsection 2.

11 2. No later than thirty days prior to commencement of the
12 construction or installation of an alternate energy production
13 facility as described in subsection 1, the owner of the
14 facility shall provide written notice to the public utility
15 within whose service territory the facility is to be located of
16 the owner's intent to construct or install the facility, the
17 type of facility to be constructed or installed, and the date
18 that the facility is anticipated to commence operation.

19 **EXPLANATION**

20 This bill requires specified owners of alternative energy
21 production facilities, as defined in Code section 476.42,
22 to provide written notice no later than 30 days prior to
23 commencement of the construction or installation of the
24 facility to the electric public utility within whose service
25 territory the facility is located. The notice shall include
26 the fact that the facility is being constructed or installed,
27 the type of facility to be constructed or installed, and the
28 date that the facility is anticipated to commence operation.

29 The bill provides that the notice requirements are
30 applicable to owners of alternate energy production facilities
31 which, when the facility is constructed or installed, will be
32 attached to an electric transmission or distribution line,
33 or attached to equipment which is so attached, who have not
34 entered into a power purchase agreement with a public utility.

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House File 2302 - Introduced

HOUSE FILE 2302
BY BRANDENBURG

A BILL FOR

1 An Act relating to student athletic activities in public and
2 nonpublic schools.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 280.13D Out-of-season student
2 athletics.

3 1. For purposes of this section:

4 a. "*In season*" for a particular interscholastic athletic
5 activity means the period, whether or not occurring during
6 the school year, from the official first day of practice
7 beginning an athletic season until the finals of tournament
8 play concluding the athletic season.

9 b. "*Out-of-season*" for a particular interscholastic athletic
10 activity means the period, whether or not occurring during the
11 school year, which is not in season.

12 c. "*School coaching personnel*" means persons, whether
13 school employees or volunteers, who engage in coaching of
14 interscholastic athletic activities for school districts or
15 nonpublic schools.

16 d. "*Student athlete*" means a student who participates in a
17 particular interscholastic athletic activity.

18 2. School coaching personnel shall be prohibited from
19 having contact with a student athlete out of season if such
20 contact interferes with student academics or with student
21 participation in an interscholastic athletic activity which is
22 in season. School coaching personnel shall not otherwise be
23 prohibited from having contact with a student athlete out of
24 season.

25 3. A student athlete shall not be subject to any penalty
26 for choosing not to participate in any activity relating to
27 an interscholastic athletic activity if such activity occurs
28 out of season for that particular interscholastic athletic
29 activity.

30 EXPLANATION

31 This bill prohibits school coaching personnel from
32 having contact with a student athlete out of season if such
33 contact interferes with student academics or with student
34 participation in an interscholastic athletic activity which is
35 in season. The bill provides that school coaching personnel

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1 shall not otherwise be prohibited from having contact with a
2 student athlete out of season. The bill also provides that
3 a student athlete shall not be subject to any penalty for
4 choosing not to participate in any activity relating to an
5 interscholastic athletic activity which occurs out of season
6 for that interscholastic athletic activity. The bill includes
7 definitions for "in season", "out of season", "school coaching
8 personnel", and "student athlete".



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House File 2303 - Introduced

HOUSE FILE 2303
BY KAJTAZOVIC

A BILL FOR

1 An Act prohibiting the manufacture of certain goods containing
2 bisphenol A, and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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H.F. 2303

1 Section 1. NEW SECTION. 142E.1 Definitions.

2 1. "*Consumer product*" means the same as defined in 15 U.S.C.
3 § 2052.

4 2. "*Department*" means the department of public health.

5 3. "*Food*" means a raw, cooked, or processed edible
6 substance, ice, water, a beverage, or an ingredient used
7 or intended for use or sale in whole or in part for human
8 consumption, or chewing gum.

9 4. "*Food container*" means a consumer product that is a
10 receptacle designed or intended by the manufacturer to store
11 and retrieve food for later consumption.

12 5. "*Food packaging*" means material or a receptacle that
13 encases food at the point of sale to a consumer, including
14 cans, bottles, or bags, and their linings or coatings.

15 6. "*Food wrap or bag*" means a consumer product that is
16 designed or intended by the manufacturer to preserve or prepare
17 food for consumption at a time later than its sale to the
18 consumer, including a package, lining, film, or sheet.

19 7. "*Manufacture*" means to fabricate, assemble, or package a
20 good in final form for sale, or to affix a brand name to a good
21 in final form for sale.

22 8. "*Manufacturer*" means a person who manufactures a good
23 in this state. In the case of a good that is imported in the
24 United States, "*manufacturer*" means the importer or domestic
25 distributor of the good in final form if the person who would
26 otherwise be considered as a manufacturer or whose brand name
27 is affixed to the good does not have a presence in the United
28 States.

29 9. "*Toxic compound*" means the organic compound bisphenol
30 A (4,4'-Dihydroxy-2,2-diphenylpropane) as classified by the
31 international union of pure and applied chemistry.

32 Sec. 2. NEW SECTION. 142E.2 Determination of consumer
33 products — designed or intended use.

34 In determining whether a consumer product is designed or
35 intended by its manufacturer for a particular use as provided

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1 in section 142E.3, all of the following shall be considered:

2 1. A statement by a manufacturer about the consumer
3 product's intended use, including as presented on the consumer
4 product's label, if such statement is reasonable.

5 2. Any representation by a manufacturer in its packaging,
6 display, promotion, or advertising.

7 3. Whether the consumer product is commonly recognized by
8 consumers as being intended for a particular use.

9 Sec. 3. NEW SECTION. 142E.3 Toxic compound — manufacturers
10 — prohibition and penalty.

11 A manufacturer shall not manufacture a consumer product that
12 contains a toxic compound if the consumer product is designed
13 or intended for any of the following uses:

14 1. A food container.

15 2. A good containing food if the packaging contains a toxic
16 compound.

17 3. A food wrap or bag.

18 Sec. 4. NEW SECTION. 142E.4 Penalty.

19 A manufacturer who violates any provision of this chapter is
20 guilty of a simple misdemeanor.

21 Sec. 5. NEW SECTION. 142E.5 Rulemaking.

22 The department shall adopt rules as provided in chapter 17A
23 as necessary to administer this chapter.

24 EXPLANATION

25 This bill prohibits the manufacture and sale of a consumer
26 product containing the organic compound bisphenol A, an
27 industrial chemical used primarily to make polycarbonate
28 plastic and epoxy resins and identified in the bill as a
29 "toxic compound". Specifically, the prohibition applies to
30 manufacturers in this state who manufacture food containers
31 (e.g., water bottles) and food wraps or bags (plastic wraps and
32 freezer bags).

33 The bill includes a provision to be used to determine
34 whether a consumer product is designated or intended for a
35 particular purpose, including statements or representations by

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1 the manufacturer and whether consumers generally recognize its
2 particular use.

3 The department of public health is required to adopt rules
4 necessary to administer the bill's provisions.

5 A manufacturer who violates the bill's prohibition is guilty
6 of a simple misdemeanor. A simple misdemeanor is punishable by
7 confinement for no more than 30 days or a fine of at least \$65
8 but not more than \$625 or by both.



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House File 2304 - Introduced

HOUSE FILE 2304
BY PEARSON

A BILL FOR

1 An Act regulating the use of pat-down searches and whole-body
2 scanners, providing penalties, and including effective date
3 and implementation provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 321N.1 Definitions.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. *"Governmental subdivision"* means any county or city
5 of this state, or any other political subdivision, public
6 corporation, authority, or district in this state which is or
7 may be authorized by law to acquire, establish, construct,
8 maintain, improve, or operate landing areas, airports, air
9 navigation facilities, or other governmental facilities. For
10 purposes of this subsection, *"landing area"*, *"airport"*, and *"air*
11 *navigation facility"* mean the same as defined in section 328.1.

12 2. *"Pat-down search"* means a physical search of a person
13 where the outer clothing of the person is patted by the palm
14 or the back of the hand when there is reasonable suspicion the
15 person may possess a prohibited dangerous weapon, destructive
16 device, or material.

17 3. *"Whole-body scanner"* means a device used to detect
18 objects carried on the body that uses backscatter X rays or
19 millimeter waves to create a visual image of a person's full
20 body showing the surface of the skin.

21 Sec. 2. NEW SECTION. 321N.2 Whole-body scanner use.

22 1. A governmental subdivision shall not use a whole-body
23 scanner as the sole or primary method of screening a person
24 at a governmental subdivision facility. A governmental
25 subdivision shall not use a whole-body scanner to screen
26 any person unless another method of screening demonstrates
27 reasonable cause to use a whole-body scanner.

28 2. a. If another method of screening demonstrates
29 reasonable cause to use a whole-body scanner pursuant to
30 subsection 1, the person subject to the whole-body scanner
31 screening shall be provided information about the whole-body
32 scanner including the privacy policies relating to the visual
33 image generated by the scanner.

34 b. After information has been provided to the person
35 subject to a whole-body scanner screening under paragraph "a",

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1 the person shall be offered a pat-down search in lieu of a
2 whole-body scanner screening.

3 *c.* If the person does not agree to a pat-down search
4 pursuant to paragraph "b", the governmental subdivision may
5 require the person to be subject to a whole-body scanner
6 screening.

7 3. This section does not apply to a jail or correctional
8 facility.

9 4. The homeland security and emergency management division
10 of the department of public defense shall, by January 15, 2013,
11 and every year thereafter, submit a report to the general
12 assembly and to the legislative services agency detailing the
13 following: the number of persons in this state subject to
14 whole-body scanner screenings pursuant to this section as a
15 percentage of all screened persons; the percentage of persons
16 subject to whole-body scanner screenings who select a pat-down
17 search in lieu of a whole-body scanner screening; the privacy
18 protections relating to the images generated by the whole-body
19 scanner and the number of privacy breaches relating to such
20 images; the effectiveness of the whole-body scanner screenings;
21 updates on next generation technology relating to the screening
22 of passengers and baggage; and findings relating to the health
23 risks of repeated exposure to whole-body scanner screenings on
24 operators, other workers, persons subject to such screens, and
25 members of the general public that pass nearby.

26 Sec. 3. NEW SECTION. 708.14A Pat-down search —
27 prohibition.

28 1. A person, without probable cause, shall not knowingly
29 or recklessly search another person by touching the clothed
30 or unclothed anus, genitalia, or breast of another in such a
31 manner that would be offensive to a reasonable person as part
32 of a search to grant access to a publicly accessible building
33 or form of transportation.

34 2. A person who violates this section commits a serious
35 misdemeanor.

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1 Sec. 4. HOMELAND SECURITY — REPORT. Prior to the use
2 of a whole-body scanner in this state, the administrator of
3 the homeland security and emergency management division of
4 the department of public defense shall study the effects of
5 repeated exposure to whole-body scanner screenings on the
6 health and safety of operators, other workers, persons subject
7 to such screenings, and members of the general public who
8 pass near the scanner. If the administrator determines that
9 repeated exposure to whole-body scanner screenings is not
10 harmful to operators, other workers, persons subject to such
11 screenings, or members of the general public who pass near the
12 scanner, a whole-body scanner may be used in this state within
13 thirty days of such a finding. However, if the administrator
14 determines that repeated exposure may be harmful, the use of a
15 whole-body scanner shall be delayed in this state until such
16 time the administrator determines after further study that
17 repeated exposure is not harmful.

18 Sec. 5. IMPLEMENTATION. The use of a whole-body scanner
19 pursuant to section 321N.2, as enacted by this Act, shall not
20 be implemented until the administrator of the homeland security
21 and emergency management division of the department of public
22 defense determines that such use is not harmful pursuant to
23 section 4 of this Act.

24 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
25 immediate importance, takes effect upon enactment.

26 EXPLANATION

27 This bill regulates the use of pat-down searches and
28 whole-body scanners at governmental subdivision facilities and
29 publicly accessible buildings and forms of transportation.

30 Under the bill, a governmental subdivision shall not use a
31 whole-body scanner as the sole or primary method of screening
32 a person at a facility. The bill prohibits the use of a
33 whole-body scanner by a governmental subdivision unless another
34 method of screening demonstrates reasonable cause to use a
35 whole-body scanner.

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1 If a person is subject to a whole-body scanner screening,
2 the bill requires the person to be provided information about
3 the operation of the whole-body scanner including the privacy
4 policies related to the visual image generated by the scanner.

5 The bill requires a person subject to a whole-body
6 scanner screening to be offered a pat-down search in lieu
7 of a whole-body scanner screening. If the person does not
8 agree to a pat-down search, the bill allows a governmental
9 subdivision to require the person to undergo a whole-body
10 scanner screening.

11 The bill prohibits a person, without probable cause, from
12 knowingly or recklessly searching another person by touching
13 the clothed or unclothed anus, genitalia, or breast of another
14 in such a manner that would be offensive to a reasonable person
15 as part of a search to grant access to a publicly accessible
16 building or form of transportation. A person who violates this
17 provision of the bill commits a serious misdemeanor.

18 A serious misdemeanor is punishable by confinement for no
19 more than one year and a fine of at least \$315 but not more than
20 \$1,875.

21 The bill requires the homeland security and emergency
22 management division of the department of public defense to
23 submit a report by January 15, 2013, and every year thereafter,
24 detailing the number of persons subject to whole-body
25 screenings, the number of persons selecting a pat-down search
26 in lieu of whole-body scanner screenings, the privacy breaches
27 related to the images generated by whole-body scanners, the
28 overall effectiveness of whole-body scanners, and the health
29 risks associated with repeated exposures to such screenings.

30 The bill also requires the administrator of the homeland
31 security and emergency management division of the department
32 of public defense to study the effects of repeated exposure
33 to whole-body scanner screenings on the health and safety of
34 operators, other workers, persons subject to such screenings,
35 and members of the general public who pass near the scanner.

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1 Under the bill, if the administrator determines that repeated
2 exposures to whole-body scanner screenings is not harmful,
3 the bill permits a whole-body scanner to be used in this
4 state within 30 days of such a finding. If, however, the
5 administrator determines that repeated exposures may be
6 harmful, the use of a whole-body scanner shall be delayed until
7 such time the administrator determines, after further study,
8 that repeated exposures are not harmful. The bill delays the
9 use of whole-body scanners pursuant to the bill until such
10 determination is made.

11 The bill does not apply to a jail or correctional facility.

12 The bill takes effect upon enactment.



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House File 2305 - Introduced

HOUSE FILE 2305
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO HSB 611)

A BILL FOR

1 An Act relating to the powers and duties of the department on
2 aging.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:



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1 Section 1. Section 22.7, subsection 62, Code Supplement
2 2011, is amended to read as follows:
3 62. Records of the department on aging pertaining to clients
4 served by the prevention of elder abuse prevention initiative,
5 neglect, and exploitation program.
6 Sec. 2. Section 231.4, subsection 1, paragraph n, Code
7 Supplement 2011, is amended to read as follows:
8 n. *"Unit of general purpose local government"* means the
9 governing body of a city, county, township, metropolitan area,
10 or region within the state that has a population of one hundred
11 thousand or more, that is recognized for areawide planning, and
12 that functions as a political subdivision of the state whose
13 authority is general and not limited to only one function or
14 combination of related functions, or a tribal organization.
15 Sec. 3. Section 231.4, subsection 2, Code Supplement 2011,
16 is amended to read as follows:
17 2. For the purposes of this chapter, *"aging and disability*
18 *resource center", "area agency on aging", "focal point",*
19 *"greatest economic need", and "greatest social need", "planning*
20 *and service area", and "tribal organization"* mean as those terms
21 are defined in the federal Act.
22 Sec. 4. Section 231.14, subsection 1, paragraphs e, g, and
23 h, Code 2011, are amended to read as follows:
24 e. Designate for each planning and service area a public or
25 private nonprofit agency or organization as the area agency on
26 aging for that area. The commission may revoke the designation
27 of an area agency on aging pursuant to section 231.32.
28 g. Adopt a formula for the distribution of federal Act, and
29 state services for older individuals, and senior living program
30 funds taking into account, to the maximum extent feasible, the
31 best available data on the geographic distribution of older
32 individuals in the state, and publish the formula for review
33 and comment.
34 h. Adopt policies and measures to assure that preference
35 will be given to providing services to older individuals



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1 with the greatest economic or social needs, with particular
2 attention to low-income minority older individuals, older
3 individuals with limited English proficiency, and older
4 individuals residing in rural areas.

5 Sec. 5. Section 231.22, Code 2011, is amended to read as
6 follows:

7 **231.22 Director — assistant director.**

8 1. The governor, subject to confirmation by the senate,
9 shall appoint a director of the department on aging who shall,
10 subject to chapter 8A, subchapter IV, employ and direct staff
11 as necessary to carry out the powers and duties created by
12 this chapter. The director shall serve at the pleasure of the
13 governor. However, the director is subject to reconfirmation
14 by the senate as provided in section 2.32, subsection 4. The
15 governor shall set the salary for the director within the range
16 set by the general assembly.

17 2. The director shall have the following qualifications and
18 training:

19 a. Training in the field of gerontology, social work, public
20 health, public administration, or other related fields.

21 b. Direct experience or extensive knowledge of programs and
22 services related to older individuals.

23 c. Demonstrated understanding and concern for the welfare of
24 older individuals.

25 d. Demonstrated competency and recent working experience in
26 an administrative, supervisory, or management position.

27 3. The director may appoint an assistant director who shall
28 be in charge of the department in the absence of the director.
29 The appointment shall be based on the appointee's training,
30 experience, and capabilities.

31 Sec. 6. Section 231.23, Code 2011, is amended to read as
32 follows:

33 **231.23 Department on aging — duties and authority.**

34 The department on aging director shall:

35 1. Develop and administer a state plan on aging.



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- 1 2. Assist the commission in the review and approval of area
2 plans.
- 3 3. Pursuant to commission policy, coordinate state
4 activities related to the purposes of this chapter and all
5 other chapters under the department's jurisdiction.
- 6 4. Advocate for older individuals by reviewing and
7 commenting upon all state plans, budgets, laws, rules,
8 regulations, and policies which affect older individuals and
9 by providing technical assistance to any agency, organization,
10 association, or individual representing the needs of older
11 individuals.
- 12 5. Assist the commission in dividing the state into distinct
13 planning and service areas.
- 14 6. Assist the commission in designating for each area a
15 public or private nonprofit agency or organization as the area
16 agency on aging for that area.
- 17 7. Pursuant to commission policy, take into account the
18 views of older Iowans.
- 19 8. Assist the commission in adopting a formula for the
20 distribution of funds available from the federal Act and state
21 appropriations and allocations.
- 22 9. Assist the commission in assuring that preference will
23 be given to providing services to older individuals with the
24 greatest economic or social needs, with particular attention to
25 low-income minority older individuals, older individuals with
26 limited English proficiency, and older individuals residing in
27 rural areas.
- 28 10. Assist the commission in developing, adopting, and
29 enforcing administrative rules, by issuing necessary forms and
30 procedures.
- 31 11. Apply for, receive, and administer grants, devises,
32 donations, gifts, or bequests of real or personal property from
33 any source to conduct projects consistent with the purposes of
34 the department. Notwithstanding section 8.33, moneys received
35 by the department pursuant to this section are not subject to



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1 reversion to the general fund of the state.

2 12. Administer state authorized programs.

3 ~~13. Provide annual training for area agency on aging board~~
4 ~~of directors members.~~

5 ~~14.~~ 13. Establish a procedure for an area agency on
6 aging to use in selection of members of the agency's board of
7 directors. The selection procedure shall be incorporated into
8 the bylaws of the board of directors.

9 ~~15. Provide oversight to ensure that the composition of the~~
10 ~~area agency on aging board of directors complies with the rules~~
11 ~~of the department.~~

12 Sec. 7. Section 231.23A, unnumbered paragraph 1, Code 2011,
13 is amended to read as follows:

14 The department on aging shall provide or administer, but is
15 not limited to providing or administering, all of the following
16 programs and services to the extent required by law and subject
17 to the availability of funding:

18 Sec. 8. Section 231.23A, subsections 1 and 6, Code 2011, are
19 amended to read as follows:

20 1. Services for older individuals including but not limited
21 to home and community-based services such as adult day,
22 assessment and intervention, transportation, chore, counseling,
23 homemaker, material aid, personal care, reassurance, respite,
24 visitation, caregiver support, emergency response system,
25 mental health outreach, and home repair as defined by the
26 department in the most current version of the department's
27 reporting manual and pursuant to the federal Act and
28 regulations.

29 6. The nutrition and health promotion program.

30 Sec. 9. Section 231.33, subsections 7 and 11, Code 2011, are
31 amended to read as follows:

32 7. Give preference in the delivery of services under the
33 area plan to older individuals with the greatest economic or
34 social need, with particular attention to low-income minority
35 older individuals, older individuals with limited English

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1 proficiency, and older individuals residing in rural areas.

2 11. ~~Contact~~ Conduct outreach efforts, ~~with special emphasis~~
3 ~~on rural older individuals,~~ to identify older individuals
4 with the greatest economic or social needs, with particular
5 attention to low-income minority older individuals, older
6 individuals with limited English proficiency, and older
7 individuals residing in rural areas, and inform them of the
8 availability of services under the area plan.

9 Sec. 10. Section 231.52, subsection 3, Code 2011, is amended
10 to read as follows:

11 3. The department shall require such uniform reporting
12 and financial accounting by ~~contractors~~ subgrantees as may be
13 necessary to fulfill the purposes of this section.

14 Sec. 11. Section 231.56, Code 2011, is amended to read as
15 follows:

16 **231.56 Services and programs.**

17 The department shall administer services and programs ~~to~~
18 ~~reduce institutionalization and encourage community involvement~~
19 ~~to help older individuals remain in their own homes that allow~~
20 older individuals to secure and maintain maximum independence
21 and dignity in a home environment that provides for self-care
22 with appropriate supportive services, assist in removing
23 individual and social barriers to economic and personal
24 independence for older individuals, provide a continuum of care
25 for older individuals and individuals with disabilities, and
26 secure the opportunity for older individuals to receive managed
27 in-home and community-based long-term care services. Funds
28 appropriated for this purpose shall be instituted based on
29 administrative rules adopted by the commission. The department
30 shall require such records as needed to administer this
31 section.

32 Sec. 12. Section 231.56A, Code 2011, is amended to read as
33 follows:

34 **231.56A Elder Prevention of elder abuse initiative, emergency**
35 **shelter, and support services projects, neglect, and exploitation**



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1 program.
2 1. ~~Through the state's service contract process adopted~~
3 ~~pursuant to section 8.47, the department shall identify~~
4 ~~entities that have demonstrated the ability to provide~~
5 ~~a collaborative response to the immediate needs of older~~
6 ~~individuals for the purpose of implementing elder abuse~~
7 ~~initiative, emergency shelter, and support services projects.~~
8 ~~The projects shall be coordinated in service areas that have~~
9 ~~a multidisciplinary team established pursuant to section~~
10 ~~235B.1, where available. The department shall administer~~
11 ~~the prevention of elder abuse, neglect, and exploitation~~
12 ~~program in accordance with the requirements of the federal~~
13 ~~Act. The purpose of the program is to carry out activities for~~
14 ~~intervention in, investigation of, and response to elder abuse,~~
15 ~~neglect, and exploitation including financial exploitation.~~
16 2. The target population of the projects program shall
17 be any older individual residing in Iowa who is at risk of
18 or who is experiencing abuse, neglect, or exploitation ~~which~~
19 ~~may include but is not limited to an older individual who is~~
20 ~~the subject of a report of suspected dependent adult abuse~~
21 ~~pursuant to chapter 235B. This subsection shall not apply to~~
22 ~~an older individual who is receiving assistance under a county~~
23 ~~management plan approved pursuant to section 331.439 including~~
24 financial exploitation.
25 3. The contractor implementing the projects program shall
26 identify ~~allowable~~ emergency shelter and support services,
27 state funding, outcomes, reporting requirements, and approved
28 community resources from which services may be obtained ~~under~~
29 ~~the projects.~~
30 4. The contractor shall implement the projects program
31 and shall coordinate the provider network through the use of
32 referrals or other engagement of community resources to provide
33 services to older individuals.
34 5. ~~The department shall award funds to the contractor~~
35 ~~in accordance with the state's service contract process and~~

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1 ~~department rule. Receipt and expenditures of moneys under the~~
2 ~~projects are subject to examination, including audit, by the~~
3 ~~department. The department shall adopt rules to implement this~~
4 ~~section.~~

5 ~~6. This section shall not be construed and is not intended~~
6 ~~as, and shall not imply, a grant of entitlement for services to~~
7 ~~individuals who are not otherwise eligible for the services or~~
8 ~~for utilization of services that do not currently exist or are~~
9 ~~not otherwise available.~~

10 Sec. 13. Section 231.62, Code Supplement 2011, is amended
11 by striking the section and inserting in lieu thereof the
12 following:

13 **231.62 Alzheimer's disease services and assistance.**

14 Pursuant to the federal Act, the department shall direct
15 the area agencies on aging to use outreach efforts to identify
16 older individuals with Alzheimer's disease and related
17 disorders and to establish supportive services for those
18 individuals and their families. The department shall regularly
19 review trends and initiatives to address the long-term living
20 needs of Iowans to determine how the needs of persons with
21 Alzheimer's disease and related disorders can be appropriately
22 met.

23 Sec. 14. Section 231.66, Code 2011, is amended to read as
24 follows:

25 **231.66 Nutrition and health promotion program.**

26 A nutrition and health promotion program shall be
27 administered by the department, in accordance with the
28 requirements of the federal Act, including congregate and
29 home-delivered nutrition programs, nutrition screening,
30 nutrition education, nutrition counseling, and evidence-based
31 health promotion programs to promote health and well-being,
32 reduce food insecurity, promote socialization, and maximize
33 independence of older individuals.

34 Sec. 15. REPEAL. Sections 231.24 and 231.63, Code 2011,
35 are repealed.



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EXPLANATION

1
2 This bill relates to the department on aging.
3 The bill includes amendments to definitions based on the
4 federal Older Americans Act and state practice.
5 The bill provides explicit authority to the commission on
6 aging to not only designate but to also revoke the designation
7 of an area agency on aging with the assistance of the
8 department and to adopt a formula to distribute federal and
9 state funds. The bill authorizes the director to appoint an
10 assistant director to be in charge of the department in the
11 absence of the director. The appointment is to be based on the
12 appointee's training, experience, and capabilities.
13 The bill includes as a basis for preference in the provision
14 of services, older individuals with the greatest economic
15 need, with particular attention to low-income minority
16 older individuals, older individuals with limited English
17 proficiency, and older individuals residing in rural areas.
18 The bill specifies the programs and services that the
19 department shall provide to the extent required by law and
20 subject to the availability of funding, and provides a basis
21 for the services and programs the department administers.
22 The bill changes the elder abuse projects to a prevention of
23 elder abuse, neglect, and exploitation program.
24 The bill repeals the Code sections relating to certified
25 retirement communities and end-of-life care information.



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House File 2306 - Introduced

HOUSE FILE 2306
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO HSB 584)

A BILL FOR

1 An Act relating to the membership of the medical assistance
2 advisory council.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6007HV (1) 84
ad/nh



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H.F. 2306

1 Section 1. Section 249A.4B, subsection 2, paragraph a,
2 Code Supplement 2011, is amended by adding the following new
3 subparagraphs:

4 NEW SUBPARAGRAPH. (41) The Iowa dietetic association.

5 NEW SUBPARAGRAPH. (42) The Iowa behavioral health
6 association.

7 NEW SUBPARAGRAPH. (43) The midwest association for medical
8 equipment services or an affiliated Iowa organization.

9 EXPLANATION

10 This bill adds a representative of the Iowa dietetic
11 association, the Iowa behavioral health association, and the
12 midwest association for medical equipment services to the
13 membership of the medical assistance advisory council. The
14 medical assistance advisory council was created to comply with
15 federal law to advise the director of the department of human
16 services about health and medical care services under the
17 medical assistance program. The council is authorized to meet
18 no more than quarterly. An executive committee of the council
19 comprised of 11 members is authorized to meet monthly.



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House File 2307 - Introduced

HOUSE FILE 2307
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 2078)

A BILL FOR

1 An Act reducing the statute of repose period in a case arising
2 out of the unsafe or defective condition of an improvement
3 to real property and including an applicability date
4 provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5486HV (2) 84
rh/rj



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H.F. 2307

1 Section 1. Section 614.1, subsection 11, Code 2011, is
2 amended to read as follows:

3 11. *Improvements to real property.* In addition to
4 limitations contained elsewhere in this section, an action
5 arising out of the unsafe or defective condition of an
6 improvement to real property based on tort and implied warranty
7 and for contribution and indemnity, and founded on injury to
8 property, real or personal, or injury to the person or wrongful
9 death, shall not be brought more than ~~fifteen~~ ten years after
10 the date on which occurred the act or omission of the defendant
11 alleged in the action to have been the cause of the injury or
12 death. However, this subsection does not bar an action against
13 a person solely in the person's capacity as an owner, occupant,
14 or operator of an improvement to real property.

15 Sec. 2. APPLICABILITY. This Act applies to all actions
16 filed on or after the effective date of this Act.

17 EXPLANATION

18 This bill relates to the statute of repose period in a
19 case arising out of the unsafe or defective condition of an
20 improvement to real property.

21 The bill reduces the 15-year statute of repose period in a
22 case arising out of the unsafe or defective condition of an
23 improvement to real property to 10 years. Such cases are based
24 upon an injury to property or an injury or death of a person.

25 A statute of repose period differs from a statute of
26 limitations period in that a statute of repose period
27 establishes a time period after which a lawsuit based upon
28 negligence in an improvement to real property cannot be filed
29 regardless of whether an injury to a person or to property has
30 occurred. A statute of limitations period begins at the date
31 of the injury or upon discovery of the deficiency.

32 The bill applies to all actions filed on or after the
33 effective date of the bill.



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House File 2308 - Introduced

HOUSE FILE 2308
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 2139)

A BILL FOR

1 An Act relating to the modification of a temporary no-contact
2 order.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TL5B 5799HV (1) 84
rh/rj



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H.F. 2308

1 Section 1. Section 664A.5, Code 2011, is amended to read as
2 follows:

3 **664A.5 Modification — entry of permanent no-contact order.**

4 If a defendant is convicted of, receives a deferred judgment
5 for, or pleads guilty to a public offense referred to in
6 section 664A.2, subsection 1, or is held in contempt for a
7 violation of a no-contact order issued under section 664A.3
8 or for a violation of a protective order issued pursuant
9 to chapter 232, 236, 598, or 915, the court shall either
10 terminate or modify the temporary no-contact order issued by
11 the magistrate. The court may enter a no-contact order or
12 continue the no-contact order already in effect for a period
13 of up to five years from the date the judgment is entered or
14 the deferred judgment is granted, regardless of whether the
15 defendant is placed on probation.

16 EXPLANATION

17 Current law provides that if a defendant is convicted of,
18 receives a deferred judgment for, or pleads guilty to domestic
19 abuse assault, harassment, stalking, sexual abuse in the first
20 degree, sexual abuse in the second degree, or sexual abuse in
21 the third degree or is held in contempt for a violation of
22 a no-contact order issued under Code section 664A.3 or for a
23 violation of a protective order issued pursuant to Code chapter
24 232, 236, 598, or 915, the court may enter a no-contact order
25 or continue a temporary no-contact order already in effect for
26 a five-year period from the date the judgment is entered or
27 the deferred judgment is granted. The bill allows the court
28 to enter a no-contact order or continue a temporary no-contact
29 order for up to five years from the date the judgment is
30 entered or the deferred judgment is granted.

31 A no-contact order is a court order issued in a criminal
32 proceeding which requires the defendant to have no contact with
33 the alleged victim, persons residing with the alleged victim,
34 or members of the alleged victim's immediate family, and to
35 refrain from harassing the alleged victim, persons residing

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1 with the alleged victim, or members of the alleged victim's
2 family.



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House Resolution 112 - Introduced

HOUSE RESOLUTION NO. 112

BY ALONS, DE BOEF, SHAW, BRANDENBURG, MASSIE, SWEENEY,
JORGENSEN, and WOLFE

1 A Resolution to preserve habeas corpus and civil
2 liberties.

3 WHEREAS, one of our most fundamental rights as
4 American citizens is to be free from unreasonable
5 detention without due process of law, a right afforded
6 to us by our founding fathers and guaranteed to us by
7 over two centuries of sacrifice by our men and women in
8 the armed forces whom we daily recognize and honor; and

9 WHEREAS, on behalf of the citizens of Iowa, the
10 House of Representatives opposes any and all laws,
11 regulations, and executive orders, which amount to
12 an overreach of the federal government and which
13 effectively take away civil liberties; and

14 WHEREAS, in accordance with the Constitution of the
15 State of Iowa, Article III, section 32, all members
16 of the General Assembly are mandated to "support the
17 Constitution of the United States, and the Constitution
18 of the State of Iowa,"; and

19 WHEREAS, the members of the House of Representatives
20 believe that any laws, regulations, or executive orders
21 going against habeas corpus or the civil liberties of
22 Iowa citizens granted under the Constitution of the
23 United States and Bill of Rights are invalid and should
24 not be recognized; NOW THEREFORE,

25 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
26 That the House of Representatives urges the members
27 of the United States Congress to resist any attempt to

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1 curtail or restrict the right of due process and the
2 right to habeas corpus as guaranteed in the Bill of
3 Rights and the Constitution of the United States and to
4 repeal those provisions of the federal National Defense
5 Authorization Act for Fiscal Year 2012 which threaten
6 those rights; and

7 BE IT FURTHER RESOLVED, That an official copy of
8 this Resolution be transmitted to the President of
9 the United States, the Secretary of the United States
10 Department of Defense, and to members of the Iowa
11 Congressional delegation.

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House Resolution 113 - Introduced

HOUSE RESOLUTION NO. 113

BY UPMEYER, RAYHONS, and BYRNES

1 A Resolution to recognize Iowa Mold Tooling on its 50th
2 anniversary.

3 WHEREAS, Iowa Mold Tooling, widely known as simply
4 IMT, was founded in 1961 as a business creating new
5 tire tread designs for recapping tires; and

6 WHEREAS, IMT immediately began to innovate and
7 diversify, soon offering a line of work vehicles; and

8 WHEREAS, IMT developed a line of lubrication and
9 mechanics trucks that would allow their customers to
10 service their equipment on site; and

11 WHEREAS, constant development and expansion required
12 even more plant floor space, by 1990 reaching 300,000
13 square feet; and

14 WHEREAS, today IMT offers a broad and growing
15 spectrum of specialty vehicles and equipment; and

16 WHEREAS, as IMT continues to grow, diversify, and
17 prosper, it continues to maintain its small-town roots
18 and can-do work ethic; NOW THEREFORE,

19 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
20 That the House of Representatives congratulates Iowa
21 Mold Tooling for half a century of innovation and
22 excellence.

LSB 5184HH (3) 84

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House Study Bill 636 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
PUBLIC SAFETY BILL BY
CHAIRPERSON BAUDLER)

A BILL FOR

1 An Act imposing a duty of reasonable assistance on a person
2 present at the scene of an emergency or accident and
3 providing a penalty.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6072YC (2) 84
rh/nh



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1 Section 1. NEW SECTION. 727.12 Duty to assist — emergency
2 or accident.

3 A person who is present at the scene of an emergency
4 or accident who knows that another person involved in the
5 emergency or accident is likely to suffer or has suffered
6 serious physical injury shall, to the extent that the person
7 can do so without danger to self or others, give reasonable
8 assistance to the person. Reasonable assistance may include
9 obtaining or attempting to obtain aid from law enforcement
10 or medical personnel. A person who violates this section is
11 guilty of an aggravated misdemeanor.

12 EXPLANATION

13 This bill imposes a duty on a person who is present at the
14 scene of an emergency or accident who knows that another person
15 involved in the emergency or accident is likely to suffer or
16 has suffered serious physical injury shall, to the extent that
17 the person can do so without danger to self or others, give
18 reasonable assistance to the person. Reasonable assistance
19 may include obtaining or attempting to obtain aid from law
20 enforcement or medical personnel. A person who violates the
21 bill is guilty of an aggravated misdemeanor, punishable by
22 confinement for no more than two years and a fine of at least
23 \$625 but not more than \$6,250.



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House Study Bill 637 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON ANDERSON)

A BILL FOR

1 An Act creating medical parole for certain persons committed to
2 the custody of the department of corrections, and including
3 effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6045YC (3) 84
jm/nh



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1 DIVISION I
2 MEDICAL PAROLE
3 Section 1. NEW SECTION. 217.13A Assistance for persons on
4 medical parole.
5 1. If a person has been released on medical parole pursuant
6 to section 906.20 and applies for public assistance, including
7 medical assistance, the department of corrections shall forward
8 the application for assistance to the department of human
9 services, and advise the board of parole that an application
10 for assistance has been made.
11 2. The department of human services shall, within sixty days
12 of receipt of a medical parolee's application for assistance,
13 determine the eligibility of the person for general assistance,
14 public assistance, medical assistance, or any other department
15 or federal health care assistance.
16 3. If a person is released on medical parole and is in
17 need of public assistance, including medical assistance,
18 the department of human services is responsible for the
19 administrative costs of the initial and any subsequent
20 eligibility determination and for the costs of any public
21 assistance, including medical assistance, following a person's
22 release on medical parole for as long as the person is
23 eligible.
24 4. The department of corrections and the department of human
25 services shall jointly request proposals from public or private
26 vendors to provide contract services for persons released on
27 medical parole.
28 Sec. 2. NEW SECTION. 906.20 Medical parole.
29 1. A person committed to the custody of the director of
30 the department of corrections including offenders serving a
31 mandatory minimum sentence, an enhanced sentence, a sentence
32 which limits the person's parole eligibility, a class "A"
33 felony sentence, or a sentence under section 902.12, shall be
34 immediately eligible for a medical parole under the following
35 circumstances:

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1 a. If the department of corrections makes a recommendation
2 to the board of parole with supporting medical evidence stating
3 any of the following:

4 (1) The person suffers from a chronic infirmity, physical
5 limitation, serious illness, or serious disease related to
6 aging.

7 (2) The person has an existing medical or physical condition
8 that is permanent and is physically or mentally incapacitating.

9 (3) The person is terminally ill.

10 b. After reviewing the recommendation, the board determines
11 all of the following:

12 (1) The person is eligible for medical parole under
13 paragraph "a".

14 (2) A reasonable probability exists that the person can be
15 released without detriment to the community or to the person.

16 2. Prior to making a determination under subsection 1, the
17 board may request that the department of corrections provide
18 additional medical evidence supporting the recommendation or
19 that a medical examination of the person be conducted.

20 3. If the board orders the person released on medical
21 parole, the department of corrections, in cooperation with the
22 board and the judicial district department of correctional
23 services, shall determine the level of appropriate supervision
24 of the person. In addition to any other terms and conditions
25 of medical parole, supervision of a person on medical parole
26 shall consist of periodic medical evaluations at intervals to
27 be determined by the board at the time of release.

28 4. After a person is released on medical parole, earned
29 time shall not reduce the remainder of the person's sentence
30 while the person is on medical parole. The term of parole for
31 a person on medical parole shall equal the remainder of the
32 sentence of the person.

33 5. If the board finds a change in circumstances or discovers
34 new information concerning a person who has been released on
35 medical parole, the board may rescind the medical parole or

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1 revise the previously granted medical parole release date.

2 6. The board shall issue its decision to release a person on
3 medical parole or deny a person's medical parole or to rescind
4 the medical parole or revise the medical parole release date of
5 the person in writing and provide a basis for the decision. A
6 copy of the decision shall be provided to the person.

7 7. The board shall adopt rules pursuant to chapter 17A which
8 are necessary to carry out the provisions of this section.

9

DIVISION II

10

CORRESPONDING AMENDMENTS

11 Sec. 3. Section 124.406, subsection 1, paragraph a, Code
12 2011, is amended to read as follows:

13 a. Unlawfully distributes or possesses with intent to
14 distribute a substance listed in schedule I or II to a person
15 under eighteen years of age commits a class "B" felony and
16 shall serve a minimum term of confinement of five years unless
17 medically paroled pursuant to section 906.20. However, if the
18 substance was distributed in or on, or within one thousand feet
19 of, the real property comprising a public or private elementary
20 or secondary school, public park, public swimming pool, public
21 recreation center, or on a marked school bus, the person
22 shall serve a minimum term of confinement of ten years unless
23 medically paroled pursuant to section 906.20.

24 Sec. 4. Section 124.406, subsection 2, paragraph a, Code
25 2011, is amended to read as follows:

26 a. Unlawfully distributes or possesses with the intent to
27 distribute a counterfeit substance listed in schedule I or
28 II, or a simulated controlled substance represented to be a
29 substance classified in schedule I or II, to a person under
30 eighteen years of age commits a class "B" felony. However, if
31 the substance was distributed in or on, or within one thousand
32 feet of, the real property comprising a public or private
33 elementary or secondary school, public park, public swimming
34 pool, public recreation center, or on a marked school bus, the
35 person shall serve a minimum term of confinement of ten years

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1 unless medically paroled pursuant to section 906.20.

2 Sec. 5. Section 124.413, subsection 1, Code 2011, is amended
3 to read as follows:

4 1. A person sentenced pursuant to section 124.401,
5 subsection 1, paragraph "a", "b", "c", "e", or "f", shall not
6 be eligible for parole, unless medically paroled pursuant
7 to section 906.20, or until the person has served a minimum
8 period of confinement of one-third of the maximum indeterminate
9 sentence prescribed by law.

10 Sec. 6. Section 708.2A, subsection 6, paragraph b, Code
11 2011, is amended to read as follows:

12 b. A person convicted of violating subsection 4 shall be
13 sentenced as provided under section 902.9, subsection 5, and
14 shall be denied parole or work release, unless the person is
15 medically paroled pursuant to section 906.20, until the person
16 has served a minimum of one year of the person's sentence.
17 Notwithstanding section 901.5, subsections 1, 3, and 5 and
18 section 907.3, the person cannot receive a suspended or
19 deferred sentence or a deferred judgment; however, the person
20 sentenced shall receive credit for any time the person was
21 confined in a jail or detention facility following arrest.

22 Sec. 7. Section 901A.2, Code 2011, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 9. A person sentenced under this section is
25 eligible for medical parole pursuant to section 906.20.

26 Sec. 8. Section 902.1, Code Supplement 2011, is amended by
27 adding the following new subsection:

28 NEW SUBSECTION. 3. Notwithstanding subsections 1 and 2,
29 a person sentenced under this section is eligible for medical
30 parole pursuant to section 906.20.

31 Sec. 9. Section 902.7, Code 2011, is amended to read as
32 follows:

33 **902.7 Minimum sentence — use of a dangerous weapon.**

34 At the trial of a person charged with participating in a
35 forcible felony, if the trier of fact finds beyond a reasonable

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1 doubt that the person is guilty of a forcible felony and that
2 the person represented that the person was in the immediate
3 possession and control of a dangerous weapon, displayed a
4 dangerous weapon in a threatening manner, or was armed with a
5 dangerous weapon while participating in the forcible felony
6 the convicted person shall serve a minimum of five years of
7 the sentence imposed by law. A person sentenced pursuant to
8 this section shall not be eligible for parole, unless medically
9 paroled pursuant to section 906.20, or until the person has
10 served the minimum sentence of confinement imposed by this
11 section.

12 Sec. 10. Section 902.8, Code 2011, is amended to read as
13 follows:

14 **902.8 Minimum sentence — habitual offender.**

15 An habitual offender is any person convicted of a class "C"
16 or a class "D" felony, who has twice before been convicted of
17 any felony in a court of this or any other state, or of the
18 United States. An offense is a felony if, by the law under
19 which the person is convicted, it is so classified at the time
20 of the person's conviction. A person sentenced as an habitual
21 offender shall not be eligible for parole, unless medically
22 paroled pursuant to section 906.20, or until the person has
23 served the minimum sentence of confinement of three years.

24 Sec. 11. Section 902.8A, Code 2011, is amended to read as
25 follows:

26 **902.8A Minimum sentence for conspiring to manufacture, or**
27 **delivery of, amphetamine or methamphetamine to a minor.**

28 A person who has been convicted for a first violation under
29 section 124.401D shall not be eligible for parole, unless
30 medically paroled pursuant to section 906.20, or until the
31 person has served a minimum term of confinement of ten years.

32 Sec. 12. Section 902.11, unnumbered paragraph 1, Code 2011,
33 is amended to read as follows:

34 A person serving a sentence for conviction of a felony, who
35 has a criminal record of one or more prior convictions for a



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1 forcible felony or a crime of a similar gravity in this or any
2 other state, shall be denied parole or work release, unless
3 medically paroled pursuant to section 906.20, or unless the
4 person has served at least one-half of the maximum term of the
5 defendant's sentence. However, the mandatory sentence provided
6 for by this section does not apply if either of the following
7 apply:

8 Sec. 13. Section 902.12, unnumbered paragraph 1, Code 2011,
9 is amended to read as follows:

10 A person serving a sentence for conviction of the following
11 felonies, including a person serving a sentence for conviction
12 of the following felonies prior to July 1, 2003, shall be
13 denied parole or work release unless the person has served at
14 least seven-tenths of the maximum term of the person's sentence
15 or the person has been medically paroled pursuant to section
16 906.20:

17 DIVISION III

18 EFFECTIVE DATE

19 Sec. 14. EFFECTIVE DATE. This Act takes effect January 1,
20 2013.

21 EXPLANATION

22 This bill relates to providing medical parole to a person
23 committed to the custody of the department of corrections.

24 DIVISION I. Under the bill, any person committed to the
25 custody of the department of corrections including offenders
26 serving a mandatory minimum sentence, an enhanced sentence,
27 a sentence which limits the person's parole eligibility,
28 a class "A" felony sentence, or a sentence under section
29 902.12, may be eligible for medical parole. The bill provides
30 that a person committed to the custody of the department of
31 corrections shall be immediately eligible for medical parole
32 under the following circumstances: (1) the person suffers from
33 a chronic infirmity, physical limitation, serious illness,
34 or serious disease related to aging; (2) the person has an
35 existing medical or physical condition which is permanent and

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1 is physically or mentally incapacitating; or (3) the person is
2 terminally ill.

3 If the board of parole orders the person released on medical
4 parole, the department of corrections in cooperation with the
5 board and the judicial district department of correctional
6 services shall determine the level of appropriate supervision
7 of the person. In addition to any other terms and conditions
8 of supervision, a person on medical parole shall have periodic
9 medical evaluations at intervals to be determined by the board
10 of parole at the time of release.

11 The bill also provides that if the board of parole finds a
12 change in circumstances or discovers new information concerning
13 a person who has been released on medical parole, the board may
14 rescind the medical parole or revise the previously granted
15 parole release date.

16 If a person is released on medical parole pursuant to the
17 bill and applies for public assistance, including medical
18 assistance, the department of corrections shall forward
19 the application for assistance to the department of human
20 services, and advise the board of parole that an application
21 for assistance has been made.

22 The bill provides that the department of human services
23 shall, within 60 days of receipt of a medical parolee's
24 application for assistance, determine the eligibility of the
25 person for general assistance, public assistance, medical
26 assistance, or any type of assistance.

27 The bill also provides that the department of human services
28 is responsible for the administrative costs of the initial and
29 any subsequent eligibility determination and for the costs of
30 any public assistance, including medical assistance, following
31 a person's release on medical parole for as long as the person
32 is eligible.

33 DIVISION II. The bill amends various Code sections to
34 conform with the changes in division I.

35 DIVISION III. The bill takes effect January 1, 2013.

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House Study Bill 638 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON ANDERSON)

A BILL FOR

1 An Act relating to identity theft, providing penalties, and
2 making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5943YC (3) 84
rn/rj



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1 Section 1. Section 715A.8, Code 2011, is amended to read as
2 follows:

3 **715A.8 Identity theft — offenses — penalties.**

4 1. a. For purposes of this section, "*identification*
5 *information*" includes, but is not limited to, the name,
6 address, date of birth, telephone number, driver's license
7 number, nonoperator's identification card number, social
8 security number, student identification number, military
9 identification number, alien identification or citizenship
10 status number, employer identification number, signature,
11 electronic mail signature, electronic identifier or screen
12 name, biometric identifier, genetic identification information,
13 access device, logo, symbol, trademark, place of employment,
14 employee identification number, parent's legal surname prior to
15 marriage, demand deposit account number, savings or checking
16 account number, or credit card number of a person.

17 b. For purposes of this section, "*financial institution*"
18 means the same as defined in section 527.2, and includes an
19 insurer organized under Title XIII, subtitle 1, of this Code,
20 or under the laws of any other state or the United States.

21 2. a. A person commits the offense of identity theft
22 if the person ~~fraudulently uses or attempts to fraudulently~~
23 ~~use identification information of another person, with the~~
24 ~~intent to obtain credit, property, services, or other benefit~~
25 fraudulently or knowingly takes, purchases, manufactures,
26 records, possesses, uses, or attempts to take, purchase,
27 manufacture, record, possess, or use identification information
28 of another person or entity, including a real or fictitious
29 person or entity, without the consent of the other person or
30 entity, with the intent to obtain or use the identification
31 information for any unlawful purpose, or to cause loss to
32 the other person or entity, or with the intent to obtain or
33 continue employment. An offense is committed regardless
34 of whether the other person or entity actually suffers any
35 economic loss as a result of the offense.

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1 b. A person commits the offense of knowingly accepting
2 the identity of another person if the person, in hiring an
3 employee, knowingly does both of the following:
4 (1) Accepts any identification information of another
5 person with knowledge that the other person presenting the
6 identification information is not the actual person identified
7 by that identification information.
8 (2) Uses the identification information for the purpose of
9 determining whether the person who presented the identification
10 information has the legal right or authorization under federal
11 law to work in the United States as described and determined
12 pursuant to the processes and procedures under 8 U.S.C. §
13 1324a.
14 c. (1) A person commits the offense of aggravated identity
15 theft if the person does either of the following:
16 (a) Fraudulently or knowingly takes, purchases,
17 manufactures, records, possesses, uses, or attempts to take,
18 purchase, manufacture, record, possess, or use identification
19 information of five or more other persons or entities,
20 including real or fictitious persons or entities, without the
21 consent of the other persons or entities, with the intent to
22 obtain or use the identification information for any unlawful
23 purpose, or to cause loss to the persons or entities. An
24 offense is committed regardless of whether the persons or
25 entities actually suffer any economic loss as a result of the
26 offense.
27 (b) Commits the offense of identity theft under paragraph
28 "a" and causes another person or entity to suffer an economic
29 loss of three thousand dollars or more.
30 (2) In an action for aggravated identity theft pursuant to
31 this paragraph "c", proof of possession outside the regular
32 course of business of identification information of five or
33 more persons or entities may give rise to an inference that
34 the identification information was possessed for an unlawful
35 purpose.



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- 1 d. A person commits the offense of trafficking identity
2 theft if the person fraudulently or knowingly sells, transfers,
3 or transmits any identification information of another person
4 or entity, including a real or fictitious person or entity,
5 without the consent of the other person or entity for any
6 unlawful purpose or to cause loss to the person or entity
7 regardless of whether the other person or entity actually
8 suffers any economic loss as a result of the offense.
- 9 ~~3. If the value of the credit, property, or services~~
10 ~~exceeds one thousand dollars, the person commits a class "D"~~
11 ~~felony. If the value of the credit, property, or services~~
12 ~~does not exceed one thousand dollars, the person commits an~~
13 ~~aggravated misdemeanor. A violation of this subsection shall~~
14 ~~be punishable as follows:~~
- 15 a. A person who violates subsection 2, paragraph "a",
16 commits a class "D" felony.
- 17 b. A person who violates subsection 2, paragraph "b",
18 commits a class "D" felony, and notwithstanding section 902.9,
19 subsection 5, shall be punished by confinement for no more than
20 seven years and a fine of at least eight hundred fifty dollars
21 but not more than eight thousand five hundred dollars.
- 22 c. A person who violates subsection 2, paragraph "c",
23 commits a class "C" felony.
- 24 d. A person who violates subsection 2, paragraph "d",
25 commits a class "C" felony, and notwithstanding section 902.9,
26 subsection 4, shall be punished by confinement for no more than
27 twelve years and a fine of at least one thousand two hundred
28 fifty dollars but not more than ten thousand two hundred fifty
29 dollars.
- 30 4. A violation of this section is an unlawful practice under
31 section 714.16.
- 32 5. Violations of this section shall be prosecuted in any of
33 the following venues:
- 34 a. In the county in which the violation occurred.
- 35 b. If the violation was committed in more than one county,

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1 or if the elements of the offense were committed in more than
2 one county, then in any county where any violation occurred or
3 where an element of the offense occurred.

4 *c.* In the county where the victim resides.

5 *d.* In the county where the property that was ~~fraudulently~~
6 ~~used or attempted to be used~~ subject to the violation was
7 located at the time of the violation.

8 6. Any real or personal property obtained by a person as
9 a result of a violation of this section, including but not
10 limited to any money, interest, security, claim, contractual
11 right, or financial instrument that is in the possession of the
12 person, shall be subject to seizure and forfeiture pursuant to
13 chapter 809A. A victim injured by a violation of this section,
14 or a financial institution that has indemnified a victim
15 injured by a violation of this section, may file a claim as
16 an interest holder pursuant to section 809A.11 for payment of
17 damages suffered by the victim including costs of recovery and
18 reasonable attorney fees.

19 7. A financial institution may file a complaint regarding a
20 violation of this section on behalf of a victim and shall have
21 the same rights and privileges as the victim if the financial
22 institution has indemnified the victim for such violations.

23 8. Upon the request of a victim, a peace officer in any
24 jurisdiction described in subsection 5 shall take a report
25 regarding an alleged violation of this section and shall
26 provide a copy of the report to the victim. The report may also
27 be provided to any other law enforcement agency in any of the
28 jurisdictions described in subsection 5.

29 EXPLANATION

30 This bill modifies current provisions constituting identity
31 theft, and adds additional forms of identity theft subject to
32 penalty.

33 Code section 715A.8 currently specifies that a person
34 commits the offense of identity theft if the person
35 fraudulently uses or attempts to fraudulently use

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1 identification information, as defined in the Code section, of
2 another person, with the intent to obtain credit, property,
3 services, or other benefit. The bill modifies the Code section
4 by creating four separate offenses constituting identity theft.

5 The bill provides that a person commits the offense of
6 identity theft if the person fraudulently or knowingly
7 takes, purchases, manufactures, records, possesses, uses, or
8 attempts to take, purchase, manufacture, record, possess, or
9 use identification information of another person or entity,
10 including a real or fictitious person or entity, without the
11 consent of the other person or entity, with the intent to
12 obtain or use the identification information for any unlawful
13 purpose, or to cause loss to the other person or entity, or
14 with the intent to obtain or continue employment. The bill
15 states that an offense is committed regardless of whether the
16 other person or entity actually suffers any economic loss as a
17 result of the offense.

18 The bill provides that a person commits the offense
19 of knowingly accepting the identity of another person if
20 the person, in hiring an employee, knowingly accepts any
21 identification information of another person with knowledge
22 that the other person is not the actual person identified by
23 that information, or uses the information for the purpose of
24 determining whether the person who presented the information
25 has the legal right or authorization under federal law to work
26 in the United States as described and determined pursuant to
27 the processes and procedures under 8 U.S.C. § 1324a dealing
28 with the unlawful employment of aliens.

29 The bill provides that a person commits the offense of
30 aggravated identity theft if the person either commits the
31 offense of identity theft in relation to the identification
32 information of five or more persons or entities, or commits
33 the offense of identity theft and causes another person or
34 entity to suffer an economic loss of \$3,000 or more. The
35 bill adds that in an action for aggravated identity theft

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1 proof of possession outside the regular course of business
2 of identification information of five or more persons or
3 entities may give rise to an inference that the identification
4 information was possessed for an unlawful purpose.

5 The bill provides that a person commits the offense of
6 trafficking identity theft if the person fraudulently or
7 knowingly sells, transfers, or transmits any identification
8 information of another person or entity, including a real or
9 fictitious person or entity, without the consent of the other
10 person or entity for any unlawful purpose or to cause loss to
11 the person or entity regardless of whether the other person or
12 entity actually suffers any economic loss.

13 The bill also modifies penalties applicable to the offense
14 of identity theft. Currently penalties vary depending upon
15 the value of the credit, property, or services subject to the
16 offense. If the value of the credit, property, or services
17 exceeds \$1,000, the person commits a class "D" felony. If the
18 value of the credit, property, or services does not exceed
19 \$1,000, the person commits an aggravated misdemeanor. The bill
20 replaces these provisions with separate penalties applicable
21 for each of the four types of identity theft. The bill
22 provides that the "basic" form of identity theft is punishable
23 as a class "D" felony. A class "D" felony is punishable
24 by confinement for no more than five years and a fine of
25 at least \$750 but not more than \$7,500. The bill provides
26 that knowingly accepting the identity of another person is
27 punishable as a class "D" felony, but with increased potential
28 terms of confinement and fines in the form of no more than
29 seven years confinement and a fine of at least \$850 but not
30 more than \$8,500. The bill provides that aggravated identity
31 theft is punishable as a class "C" felony. A class "C" felony
32 is punishable by confinement for no more than 10 years and a
33 fine of at least \$1,000 but not more than \$10,000. The bill
34 provides that trafficking identity theft is punishable as a
35 class "C" felony, but again with increased potential terms of

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1 confinement and fines in the form of no more than 12 years
2 confinement and a fine of at least \$1,250 but not more than
3 \$10,250.

4 In addition to the penalties provided in the bill, all forms
5 of identity theft will be subject to the existing civil cause
6 of action provisions of Code section 714.16B, which provide
7 that a person suffering a pecuniary loss as a result of an
8 identity theft by another person under Code section 715A.8,
9 or a financial institution on behalf of an account holder
10 suffering a pecuniary loss as a result of an identity theft
11 by another person under the Code section, may bring an action
12 against such other person to recover specified costs and fees,
13 and the amount of \$5,000 or three times the actual damages,
14 whichever is greater. Existing Code section 715A.9 provides a
15 method for the determination of the value of credit, property,
16 or services subject to an identity theft.

17 Additionally, Code section 715A.8 provides that identity
18 theft constitutes an unlawful practice under the consumer
19 fraud provisions of Code section 714.16. In addition to
20 other specified remedies, Code section 714.16 provides that
21 the attorney general may request and the court may impose a
22 civil penalty not to exceed \$40,000 per violation against
23 a person found by the court to have engaged in a method,
24 act, or practice declared unlawful, and that the court may
25 impose a civil penalty of not more than \$5,000 for each day
26 of intentional violation of a temporary restraining order,
27 preliminary injunction, or permanent injunction issued under
28 the Code section.



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House Study Bill 639 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON ANDERSON)

A BILL FOR

1 An Act relating to the apportionment of magistrates, and
2 creating a full-time magistrate office.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 46.16, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 4. Subject to removal for cause, the
4 initial term of office of a full-time magistrate shall be for
5 one year after appointment and until January 1 following the
6 next judicial election after expiration of such year, and the
7 regular term of office of a magistrate retained at a judicial
8 election shall be six years from the expiration of the initial
9 or previous regular term, as the case may be.

10 Sec. 2. Section 46.20, Code 2011, is amended to read as
11 follows:

12 **46.20 Declaration of candidacy.**

13 1. At least one hundred four days before the judicial
14 election preceding expiration of the initial or regular term
15 of office, a judge of the supreme court, court of appeals, or
16 district court including a district associate ~~judges~~ judge,
17 full-time associate juvenile ~~judges~~ judge, or full-time
18 associate probate ~~judges~~ judge, a full-time magistrate, or
19 a clerk of the district court who is required to stand for
20 retention under section 602.1216 may file a declaration of
21 candidacy with the state commissioner of elections to stand
22 for retention or rejection at that election. If a judge,
23 magistrate, or clerk fails to file the declaration, the office
24 shall be vacant at the end of the term. District associate
25 judges, full-time associate juvenile judges, ~~and~~ full-time
26 associate probate judges, ~~and~~ full-time magistrates filing the
27 declaration shall stand for retention in the judicial election
28 district of their residence except as provided in subsection 2.

29 2. a. If a full-time magistrate is a resident of a county
30 contiguous to the county of appointment and the counties are
31 located in different judicial election districts, the full-time
32 magistrate shall stand for retention in the judicial election
33 district in which the county of appointment is located.

34 b. If a full-time magistrate is appointed to serve in more
35 than one county and the counties are located in different

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1 judicial election districts, the full-time magistrate shall
2 stand for retention simultaneously in each of the judicial
3 election districts. For purposes of determining if a full-time
4 magistrate is retained pursuant to section 46.24, the votes
5 of the judicial election districts shall be combined and the
6 full-time magistrate must receive more affirmative votes than
7 negative votes from the combined vote totals.

8 Sec. 3. Section 46.21, Code 2011, is amended to read as
9 follows:

10 **46.21 Conduct of elections.**

11 At least sixty-nine days before each judicial election, the
12 state commissioner of elections shall certify to the county
13 commissioner of elections of each county a list of the judges
14 of the supreme court, court of appeals, and district court
15 including district associate judges, full-time associate
16 juvenile judges, and full-time associate probate judges,
17 full-time magistrates, and clerks of the district court to
18 be voted on in each county at that election. The county
19 commissioner of elections shall place the names upon the ballot
20 in the order in which they appear in the certificate. The
21 state commissioner of elections shall rotate the names in the
22 certificate by county. The names of all judges, full-time
23 magistrates, and clerks to be voted on shall be placed upon one
24 ballot, which shall be in substantially the following form:

25 STATE OF IOWA

26 JUDICIAL BALLOT

27 (Date)

28 VOTE ON ALL NAMES BY PLACING AN X IN THE APPROPRIATE BOX AFTER EACH NAME.

29 SUPREME COURT

30 Shall the following judges of the Supreme Court be retained in
31 office?

32 CANDIDATE'S NAME YES ☐ NO ☐

33 CANDIDATE'S NAME YES ☐ NO ☐

34 COURT OF APPEALS

35 Shall the following judges of the Court of Appeals be retained

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1 in office?

2 CANDIDATE'S NAME YES ☐ NO ☐

3 CANDIDATE'S NAME YES ☐ NO ☐

4 DISTRICT COURT

5 Shall the following judge, associate judge, associate juvenile
6 judge, or associate probate judge of the District Court be
7 retained in office?

8 CANDIDATE'S NAME YES ☐ NO ☐

9 Shall the following full-time magistrate be retained in office?

10 CANDIDATE'S NAME YES ☐ NO ☐

11 Shall the following clerk of the District Court be retained in
12 office?

13 CANDIDATE'S NAME YES ☐ NO ☐

14 Sec. 4. Section 46.24, Code 2011, is amended to read as
15 follows:

16 **46.24 Results of election.**

17 1. A judge of the supreme court, court of appeals, or
18 district court including a district associate judge, full-time
19 associate juvenile judge, or full-time associate probate judge,
20 a full-time magistrate, or a clerk of the district court must
21 receive more affirmative than negative votes to be retained in
22 office. When the poll is closed, the election judges shall
23 publicly canvass the vote forthwith. The board of supervisors
24 shall canvass the returns on the Monday or Tuesday after the
25 election, and shall promptly certify the number of affirmative
26 and negative votes on each judge, magistrate, or clerk to the
27 state commissioner of elections.

28 2. The state board of canvassers shall, at the time of
29 canvassing the vote cast at a general election, open and
30 canvass all of the returns for the judicial election. ~~Each~~
31 A judge of the supreme court, court of appeals, or district
32 court including a district associate judge, full-time associate
33 juvenile judge, or full-time associate probate judge, a
34 full-time magistrate, or a clerk of the district court who has
35 received more affirmative than negative votes shall receive

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1 from the state board of canvassers an appropriate certificate
2 so stating.

3 Sec. 5. Section 602.6105, subsection 3, paragraph a, Code
4 2011, is amended to read as follows:

5 a. The chief judge of a judicial district shall designate
6 times and places for magistrates to hold court to ensure
7 accessibility of magistrates at all times throughout the
8 district, including the availability of a magistrate in each
9 county on a regular basis. The schedule of times and places of
10 availability of magistrates and any schedule changes shall be
11 disseminated by the chief judge to the peace officers within
12 the district.

13 Sec. 6. Section 602.6401, subsection 3, Code 2011, is
14 amended by striking the subsection.

15 Sec. 7. Section 602.6403, subsection 1, Code 2011, is
16 amended to read as follows:

17 1. By June 1 of each year in which magistrates' terms
18 expire, the county magistrate appointing commission shall
19 appoint, except as otherwise provided in section 602.6302 and
20 602.6406, the number of magistrates apportioned to the county
21 by the state court administrator under section 602.6401, the
22 number of magistrates required pursuant to substitution orders
23 in effect under section 602.6303, and may appoint an additional
24 magistrate when allowed by section 602.6402. The commission
25 shall not appoint more magistrates than are authorized for the
26 county by this article.

27 Sec. 8. Section 602.6403, subsection 3, Code 2011, is
28 amended to read as follows:

29 3. Within thirty days following receipt of notification of
30 a vacancy in the office of magistrate, the commission shall
31 appoint a person to the office to serve the remainder of the
32 unexpired term, except as provided in section 602.6406. For
33 purposes of this section, vacancy means a death, resignation,
34 retirement, or removal of a magistrate, or an increase in the
35 number of positions authorized.

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1 Sec. 9. NEW SECTION. **602.6406 Appointment of full-time**
2 **magistrate.**

3 1. The chief judge, upon approval of the supreme court,
4 may designate by order of substitution that a full-time
5 magistrate be appointed pursuant to this section in lieu of the
6 appointment of three magistrates appointed pursuant to section
7 602.6403 subject to the limitations of this section.

8 2. A full-time magistrate shall be subject to the same
9 appointment process, qualifications, and shall have the same
10 jurisdictional limits of a magistrate appointed pursuant
11 to sections 602.6403 through 602.6405, except as otherwise
12 provided in this section.

13 3. A full-time magistrate shall serve an initial term and
14 stand for retention in office as provided under sections 46.16
15 through 46.24.

16 4. A person does not qualify for appointment to the office
17 of full-time magistrate unless the person is at the time of
18 appointment a resident of the county in which the vacancy
19 exists or of a contiguous county, licensed to practice law in
20 Iowa, and will be able, measured by the person's age at the
21 time of appointment, to complete the initial term of office
22 prior to reaching age seventy-two. An applicant for full-time
23 magistrate shall file a certified application form, to be
24 provided by the supreme court, with the chairperson of the
25 county magistrate appointing commission.

26 5. A full-time magistrate shall be a resident of a county in
27 which the office is held or of a contiguous county during the
28 entire term of office.

29 6. A full-time magistrate shall qualify for office as
30 provided in chapter 63 for district judges.

31 7. In the case of a full-time magistrate to be appointed
32 to serve in more than one county, the appointment shall be
33 from persons nominated by the county magistrate appointing
34 commissions acting jointly.

35 8. The appointment of a full-time magistrate shall be

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1 subject to the following limitations:

2 *a.* The county of appointment must have three or more
3 magistrates apportioned to the county pursuant to section
4 602.6401. If the appointment is for service in more than one
5 county, the counties, in the aggregate, must have three or more
6 magistrates apportioned to the counties pursuant to section
7 602.6401.

8 *b.* A majority of district judges in the judicial election
9 district must vote in favor of the substitution and find that
10 the substitution will provide a more timely and efficient
11 performance of judicial business within the judicial election
12 district. In the case of a full-time magistrate to be
13 substituted for three magistrates from different judicial
14 election districts, the vote in favor of the substitution
15 requires a majority of the district judges in each judicial
16 election district affected.

17 9. An order of substitution shall not take effect unless,
18 a copy of the order is received by the chairperson of the
19 applicable county magistrate appointing commission no later
20 than May 31 of the year in which the substitution is to take
21 effect.

22 10. For a county in which a substitution order is in
23 effect, the number of magistrates actually appointed pursuant
24 to section 602.6403 shall be reduced by two for each full-time
25 magistrate substituted under this section. However, if the
26 substitution order is for a full-time magistrate appointed to
27 serve more than one county, the reduction of the magistrate
28 shall be as provided in the order of the chief judge of
29 the judicial district. Upon a subsequent reduction in the
30 apportionment of a magistrate to a county, the magistrate
31 appointing commission shall further reduce the number of
32 magistrates appointed.

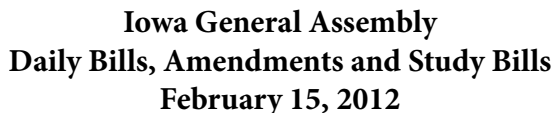
33 11. *a.* Except as provided in subsections 1 through 10,
34 a substitution shall not increase or decrease the number of
35 magistrates authorized by this article.

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1 b. A substitution shall not be made where the apportionment
2 of magistrates to a county is insufficient to permit the
3 reduction of magistrates as required by subsection 10.

4 12. If an apportionment by the state court administrator
5 pursuant to section 602.6401 reduces the number of magistrates
6 in a county to less than the number required to be apportioned
7 for a substitution order to remain in effect, or if a majority
8 of the district judges in each affected judicial election
9 district determines that a substitution is no longer desirable,
10 the substituted office shall be terminated. However, a
11 reversion pursuant to this subsection, irrespective of cause,
12 shall not take effect until the substitute full-time magistrate
13 fails to be retained in office at a judicial election or
14 otherwise leaves office, whether voluntarily or involuntarily,
15 and the office becomes vacant. Upon reversion of the office,
16 appointments shall be made pursuant to section 602.6403 as
17 necessary to reestablish terms of office pursuant to section
18 602.6403, subsection 4.

34 The amendment to Code section 602.6105(3) specifies that the
35 chief judge shall designate the availability of a magistrate in

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1 each county on a regular basis.

2 The bill creates new Code section 602.6406 providing for the
3 establishment of full-time magistrate positions. Under the
4 bill, the chief judge, upon approval of the supreme court, may
5 designate by order of substitution that a full-time magistrate
6 be appointed in lieu of three part-time magistrates.

7 The bill requires a full-time magistrate to stand for
8 retention every six years after serving an initial term and
9 requires a full-time magistrate to be a lawyer licensed to
10 practice law in Iowa.

11 The bill creates special retention provisions for full-time
12 magistrates pursuant to Code section 46.20. Under the bill,
13 if a full-time magistrate is a resident of a county contiguous
14 to the county of appointment and the counties are located
15 in different judicial election districts, the full-time
16 magistrate shall stand for retention in the judicial election
17 district containing the county of appointment. If a full-time
18 magistrate is appointed to serve in more than one county under
19 the bill, and the counties are in different judicial election
20 districts, the full-time magistrate shall simultaneously stand
21 for retention in each judicial election district and the vote
22 totals from each judicial election district shall be combined
23 to determine if the full-time magistrate is retained.

24 Under the bill, if a full-time magistrate is appointed
25 to serve in more than one county, the appointment shall be
26 from persons nominated by the applicable county magistrate
27 appointing commissions acting jointly.

28 The bill specifies a full-time magistrate shall have the
29 same jurisdictional limits of a magistrate appointed pursuant
30 to Code sections 602.6403 through 602.6405.

31 The bill also places other limits on the appointment of
32 a full-time magistrate. The bill requires the county of
33 appointment to have three or more magistrates apportioned to
34 the county pursuant to Code section 602.6401, or in the case
35 of an appointment of a full-time magistrate to serve in more

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1 than one county, the counties, in the aggregate, shall be
2 apportioned three or more magistrates.

3 The bill requires a majority of district judges in the
4 judicial election district to vote in favor of substituting
5 a full-time magistrate for three magistrates and find that
6 the substitution will provide a more timely and efficient
7 performance of judicial business. In the case of a full-time
8 magistrate to be substituted for three magistrates from
9 different judicial election districts, the vote in favor of the
10 substitution requires a majority of the district judges in each
11 judicial election district affected.

12 In counties where a substitution order is in effect, the
13 bill requires the number of magistrates actually appointed in
14 the county to be reduced by two magistrates for each full-time
15 magistrate appointed. If the substitution order calls for
16 a full-time magistrate appointed to serve in more than one
17 county, the reduction of the magistrate shall be provided in
18 the substitution order of the chief judge of the judicial
19 district.

20 Under the bill, if an apportionment by the state court
21 administrator pursuant to Code section 602.6401 reduces the
22 number of magistrates in a county to less than the number
23 required to permit a substitution order to remain in effect, or
24 if a majority of the district judges in each affected judicial
25 election district determines that a substitution is no longer
26 desirable, then the substituted office shall be terminated.
27 The bill prohibits a reversion of a full-time magistrate office
28 back to three magistrate offices until the substitute full-time
29 magistrate fails to be retained in office at a judicial
30 election or otherwise leaves office, whether voluntarily or
31 involuntarily, and the office becomes vacant. Upon reversion
32 of the office, the bill requires the appointments of the three
33 magistrates to be made pursuant to Code section 602.6403 as
34 necessary to reestablish terms of office pursuant to Code
35 section 602.6403(4).

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House Study Bill 640 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON CHAMBERS)

A BILL FOR

1 An Act requiring that a veteran be seriously injured or very
2 seriously injured in order to be eligible to receive a grant
3 under the injured veterans grant program.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6058HC (2) 84
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H.F. _____

1 Section 1. Section 35A.14, subsection 4, Code Supplement
2 2011, is amended to read as follows:

3 4. Moneys appropriated to or received by the department for
4 providing injured veterans grants under this section may be
5 expended for grants of up to ten thousand dollars to a veteran
6 who is seriously injured ~~veteran~~ or very seriously injured, as
7 defined in the most recently published United States department
8 of defense joint publication 1-02, to provide financial
9 assistance to the veteran so that family members of the veteran
10 may be with the veteran during the veteran's recovery from an
11 injury received in the line of duty in a combat zone or in a
12 zone where the veteran was receiving hazardous duty pay after
13 September 11, 2001.

14 EXPLANATION

15 This bill requires that a veteran be seriously injured
16 or very seriously injured in order to be eligible to receive
17 a grant under the injured veterans grant program. The bill
18 provides that the terms "seriously injured" and "very seriously
19 injured" shall be as defined in the most recently published
20 United States department of defense joint publication 1-02.

21 The United States department of defense joint publication
22 1-02, as published on January 15, 2012, defines "seriously
23 injured" as the casualty status of a person whose injury is
24 classified by medical authority to be of such severity that
25 there is cause for immediate concern, but there is not imminent
26 danger to life. The joint publication defines "very seriously
27 injured" as the casualty status of a person whose injury is
28 classified by medical authority to be of such severity that
29 life is imminently endangered.



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House Study Bill 641 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON CHAMBERS)

A BILL FOR

1 An Act permitting the temporary allocation and use of moneys
2 in the veterans trust fund for cemetery grant development
3 purposes.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6060HC (1) 84
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H.F. _____

1 Section 1. Section 35A.13, subsection 3, Code Supplement
2 2011, is amended to read as follows:

3 3. Moneys credited to the trust fund shall not be
4 transferred, used, obligated, appropriated, or otherwise
5 encumbered, except as provided in this section. Moneys in the
6 trust fund may be used for cash flow purposes during a fiscal
7 year provided that any moneys so allocated are returned to the
8 trust fund by the end of that fiscal year. Moneys in the trust
9 fund may also be used for cemetery grant development purposes
10 during a fiscal year provided that any moneys so allocated
11 are returned to the trust fund upon receipt of federal funds
12 received for such purposes.

13 EXPLANATION

14 This bill permits the commission of veterans affairs
15 to allocate and use moneys in the veterans trust fund for
16 cemetery grant development purposes, provided that such moneys
17 eventually be returned to the trust fund upon receipt of
18 federal funds received for such cemetery development purposes.



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House Study Bill 642 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
VETERANS AFFAIRS BILL BY
CHAIRPERSON CHAMBERS)

A BILL FOR

1 An Act relating to county commissions of veteran affairs.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5657YC (6) 84
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1 Section 1. Section 35B.4, Code 2011, is amended to read as
2 follows:

3 **35B.4 Appointment — vacancies.**

4 1. Members of the commission of veteran affairs shall
5 be appointed by the board of supervisors, as recommended by
6 the current commission members and the executive director
7 or administrator, to staggered three-year terms at the
8 regular meeting in June. However, a member shall serve until
9 a successor has been appointed and qualifies. The board
10 may remove an appointee at any time for neglect of duty or
11 maladministration. A vacancy on the commission shall be filled
12 for the unexpired portion of the regular term in the same
13 manner as regular appointments are made.

14 2. If the board of supervisors increases the commission
15 of veteran affairs membership to five members, the initial
16 terms of the two new members shall be two and three years
17 respectively. However, the new members shall serve until their
18 successors are appointed and qualify.

19 Sec. 2. Section 35B.6, subsection 1, paragraphs a and c,
20 Code 2011, are amended to read as follows:

21 a. The members of the commission shall qualify by taking the
22 usual oath of office, ~~and give bond in the sum of five hundred~~
23 ~~dollars each, conditioned for the faithful discharge of their~~
24 ~~duties with sureties to be approved by the county auditor.~~ The
25 commission shall organize by the selection of one of their
26 members as chairperson and one as secretary. The commission,
27 subject to the approval of the board of supervisors, shall
28 employ an executive director or administrator and shall have
29 the power to employ other necessary employees when needed,
30 including administrative or clerical assistants, but no member
31 of the commission shall be so employed. ~~The compensation of~~
32 ~~such employees shall be fixed by the board of supervisors.~~
33 The state department of veterans affairs shall recognize the
34 executive director or administrator as a county veterans
35 service officer of a local veterans' service organization

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1 recognized pursuant to 38 C.F.R. 14.628(c) for the purposes
2 of assisting veterans and their dependents in obtaining
3 federal benefits. The commission shall recommend the annual
4 compensation of the executive director or administrator to the
5 board of supervisors. The board of supervisors shall consider
6 the recommendation and shall determine and approve the annual
7 compensation of the executive director or administrator. The
8 executive director must possess the same qualifications as
9 provided in section 35B.3 for commission members. However,
10 this qualification requirement shall not apply to a person
11 employed as an executive director prior to July 1, 1989.
12 c. Upon the employment of an executive director or
13 administrator, the executive director or administrator shall
14 complete a course of certification training provided by the
15 department of veterans affairs pursuant to section 35A.5.
16 If an executive director or administrator fails to obtain
17 certification within one year of being employed, the executive
18 director or administrator shall be removed from office. A
19 ~~commissioner or other commission employee may also complete~~
20 ~~the course of certification training.~~ The department shall
21 issue the executive director, or administrator, ~~commissioner,~~
22 ~~or employee~~ a certificate of training after completion of the
23 certification training course. To maintain certification, the
24 executive director, or administrator, ~~commissioner, or employee~~
25 shall satisfy the continuing education requirements established
26 by the national association of county ~~veteran~~ veterans service
27 officers. Failure of an executive director or administrator
28 to maintain certification shall be cause for removal from
29 office. The expenses of training the executive director or
30 administrator shall be paid from the appropriation authorized
31 in section 35B.14.
32 Sec. 3. Section 35B.6, subsection 1, paragraph d, Code 2011,
33 is amended by adding the following new subparagraph:
34 NEW SUBPARAGRAPH. (3) Complete and submit all forms
35 required for federal, state, and county benefits.

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1 Sec. 4. Section 35B.6, subsection 2, Code 2011, is amended
2 to read as follows:

3 2. a. Two or more boards of supervisors may agree,
4 pursuant to chapter 28E, to share the services of an executive
5 director or administrator. The agreement shall provide for the
6 establishment of a commission of veteran affairs office in each
7 of the counties participating in the agreement.

8 b. It shall be unlawful for any county board of supervisors
9 or any county commission of veteran affairs to place the
10 administration of the duties of the county commission of
11 veteran affairs under any other agency of any county, or to
12 publish the names of the veterans or their families who receive
13 benefits under the provisions of this chapter.

14 Sec. 5. Section 35B.6, subsection 3, Code 2011, is amended
15 by striking the subsection.

16 Sec. 6. Section 35B.6, subsection 4, paragraph a, Code 2011,
17 is amended to read as follows:

18 a. Each county commission of veteran affairs shall maintain
19 an office in a public building owned, operated, or leased by
20 the county.

21 Sec. 7. Section 35B.7, Code 2011, is amended to read as
22 follows:

23 **35B.7 Meetings — report — budget.**

24 The commission shall meet monthly and at other times as
25 necessary. At the monthly meeting it shall determine who are
26 entitled to county benefits and the probable amount required to
27 be expended. The commission shall meet annually to prepare an
28 estimated budget for all expenditures to be made in the next
29 fiscal year and certify the budget to the board of supervisors.
30 The board may approve or reduce the budget for valid reasons
31 shown and entered of record and the board's decision is final.

32 Sec. 8. Section 35B.10, Code 2011, is amended to read as
33 follows:

34 **35B.10 Disbursements — inspection of records.**

35 1. ~~All claims certified by the commission shall be reviewed~~

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~~1 by the board of supervisors and the county auditor shall~~
~~2 issue warrants in payment of the claims. All applications,~~
~~3 investigation reports, and case records are privileged~~
~~4 communications and shall be held confidential, subject to use~~
~~5 and inspection only by persons authorized by law in connection~~
~~6 with their official duties relating to financial audits and the~~
~~7 administration of this chapter or as authorized by order of~~
~~8 a district court. However, the county commission of veteran~~
~~9 affairs shall prepare and file in the office of the county~~
~~10 auditor on or before the thirtieth day of each January, April,~~
~~11 July, and October a report showing the case numbers of all~~
~~12 recipients receiving assistance under this chapter, together~~
~~13 with the amount paid to each during the preceding quarter.~~
~~14 Each report so filed shall be securely fixed in a record book~~
~~15 to be used only for such reports made under this chapter. A~~
~~16 person may sign a release to authorize the examination of that~~
~~17 person's applications, reports, or records.~~

~~18 The record book shall be and the same is hereby declared~~
~~19 to be a public record, open to public inspection at all times~~
~~20 during the regular office hours of the county auditor. Each~~
~~21 person who desires to examine said records, other than in~~
~~22 pursuance of official duties as hereinbefore provided, shall~~
~~23 sign a written request to examine the same, which shall contain~~
~~24 an agreement on the part of the signer that the signer will~~
~~25 not utilize any information gained therefrom for commercial or~~
~~26 political purposes.~~

~~27 2. It shall be unlawful for any person, body, association,~~
~~28 firm, corporation or any other agency to solicit, disclose,~~
~~29 receive, make use of or to authorize, knowingly permit,~~
~~30 participate in or acquiesce in the use of any lists, names or~~
~~31 other information obtained from the reports above provided for,~~
~~32 for commercial or political purposes, and a violation of this~~
~~33 provision shall constitute a serious misdemeanor.~~

~~34 Sec. 9. Section 35B.14, Code 2011, is amended by adding the~~
~~35 following new subsections:~~

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1 NEW SUBSECTION. 3. The commission is responsible for
2 the interment in a suitable cemetery of the body of any
3 veteran, as defined in section 35.1, or the spouse, surviving
4 spouse, or child of the person, if the person has died without
5 leaving sufficient means to defray the funeral expenses. The
6 commission may pay the expenses in a sum not exceeding an
7 amount established by the board of supervisors.

8 NEW SUBSECTION. 4. Burial expenses shall be paid by the
9 county in which the person died. If the person is a resident
10 of a different county at the time of death, the county of
11 residence shall reimburse the county where the person died for
12 the cost of burial. In either case, the board of supervisors
13 of the respective counties shall audit and pay the account from
14 the funds provided for in this chapter in the manner as other
15 claims are audited and paid.

16 Sec. 10. Section 35B.16, Code 2011, is amended to read as
17 follows:

18 **35B.16 Markers for graves.**

19 The county commission of veteran affairs may furnish a
20 suitable and appropriate ~~metal~~ marker for the grave of each
21 veteran, as defined in section 35.1, who is buried within
22 the limits of the county. The marker shall be placed at the
23 individual's grave to permanently mark and designate the grave
24 for memorial purposes. The expenses shall be paid from any
25 funds raised as provided in this chapter.

26 Sec. 11. Section 35B.17, Code 2011, is amended to read as
27 follows:

28 **35B.17 Maintenance of graves.**

29 1. The county boards of supervisors shall each year
30 appropriate and pay to the owners of, or to the public board or
31 officers having control of cemeteries within the state in which
32 any such deceased service person is buried, a sum sufficient
33 to pay for the care and maintenance of the lots on which they
34 are buried in all cases in which provision for such care is
35 not otherwise made, or may conclude their responsibility by

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1 paying a mutually agreed to fee for perpetual care when the
2 cemetery authority has established a perpetual care fund for
3 the cemetery, to be paid either as a lump sum, or in not to
4 exceed five installments in a manner agreed to by the parties.

5 2. Payment under subsection 1 shall be made at the rate
6 charged for like care and maintenance of other lots of
7 similar size in the same cemetery, upon the affidavit of the
8 superintendent or other person in charge of such cemetery, that
9 the same has not been otherwise paid or provided for.

10 Sec. 12. Section 35B.19, Code 2011, is amended to read as
11 follows:

12 **35B.19 Burial records.**

13 ~~The county commission of veteran affairs~~ executive director
14 or administrator shall be charged with securing the information
15 requested by the department of veterans affairs of every person
16 having a military service record and buried in ~~that~~ the county.
17 Such information shall be secured from the undertaker in charge
18 of the burial or cremation and shall be transmitted by the
19 undertaker to the ~~commission of county~~ county veteran affairs office
20 of the county where burial or disposition of cremated remains
21 is made. This information shall be recorded alphabetically and
22 by description of location in the cemetery where the veteran is
23 buried or the place of disposition of the cremated remains of
24 the veteran. This recording shall conform to the directives of
25 the department of veterans affairs and shall be kept in a book
26 by the ~~county commission~~ executive director or administrator.

27 Sec. 13. Section 64.11, Code 2011, is amended to read as
28 follows:

29 **64.11 Expense of bonds paid by county.**

30 If a county treasurer, county attorney, recorder, auditor,
31 sheriff, medical examiner, ~~member of the veterans affairs~~
32 ~~commission~~, member of the board of supervisors, engineer,
33 steward, or matron elects to furnish a bond with an association
34 or incorporation as surety as provided in this chapter, the
35 reasonable cost of the bond shall be paid by the county where

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1 the bond is filed.

2 Sec. 14. Section 331.381, subsection 6, Code 2011, is
3 amended to read as follows:

4 6. Audit and pay the burial expense for indigent veterans,
5 as provided in section ~~35B.15~~ 35B.14, subsection 4.

6 Sec. 15. Section 331.502, subsections 14 and 15, Code 2011,
7 are amended by striking the subsections.

8 Sec. 16. Section 331.508, subsection 5, Code 2011, is
9 amended by striking the subsection.

10 Sec. 17. REPEAL. Sections 35B.8, 35B.9, 35B.12, 35B.13,
11 35B.15, and 35B.18, Code 2011, are repealed.

12 EXPLANATION

13 This bill relates to the duties and responsibilities of the
14 county commissions of veteran affairs.

15 The bill requires that the members of a county commission of
16 veteran affairs be appointed by the board of supervisors upon
17 the recommendation of the current members of the commission
18 and the executive director or administrator. The bill removes
19 a requirement that members of the commission give a bond of
20 \$500 and makes conforming changes to Code sections 64.11 and
21 331.502.

22 The bill requires that the state department of veterans
23 affairs shall recognize the executive director or administrator
24 as a county veterans service officer of a local veterans'
25 service organization recognized by the federal secretary of
26 veterans affairs for purposes of assisting veterans and their
27 dependents in obtaining federal benefits. The bill requires
28 that the annual compensation of an executive director or
29 administrator be recommended by the county commission to the
30 county board of supervisors which shall determine and approve
31 the compensation. Current law requires that the county board
32 of supervisors fix the compensation for the executive director
33 or administrator and other necessary employees.

34 The bill strikes language allowing a county commissioner
35 and certain commission employees to complete a course of

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1 certification training provided by the department of veterans
2 affairs.

3 The bill requires that the duties of the executive director,
4 administrator, and employees shall include the submission of
5 all forms required for federal, state, and county benefits.

6 The bill also removes language requiring a commission to
7 appoint a deputy county auditor as an administrative assistant
8 to the commission, and requires that a commission office be
9 located in a public building. The bill also specifies that
10 the commission shall only need to determine eligibility of
11 individuals for county benefits at monthly meetings of the
12 commission and removes requirements that the commission submit
13 certain information to the board of supervisors.

14 The bill removes certain disbursement, reporting,
15 recording, accounting system, and filing requirements and makes
16 certain conforming amendments to Code sections 331.502 and
17 331.508. The bill permits the examination of an individual's
18 applications, reports, and records only upon the individual's
19 authorization.

20 The bill also makes certain changes to provisions related to
21 the provision of grave markers for veterans and the filing and
22 maintenance of certain burial records.

23 The bill repeals Code section 35B.12, relating to
24 confidentiality of benefit information, but the substance
25 of the Code section is transferred to Code section 35B.6,
26 subsection 2.

27 The bill repeals Code section 35B.13, relating to burial
28 expenses, but the substance of the Code section is transferred
29 to Code section 35B.14, subsection 3.

30 The bill repeals Code section 35B.15, relating to audit
31 and payment of burial expenses, but the substance of the Code
32 section is transferred to Code section 35B.14, subsection 4.

33 The bill repeals Code section 35B.18, relating to care
34 and maintenance of gravesites, but the substance of the Code
35 section is transferred to Code section 35B.17, subsection 2.



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House Study Bill 643 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
ADMINISTRATIVE SERVICES
BILL)

A BILL FOR

1 An Act concerning the duties and operations of the department
2 of administrative services.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I
2 STATE DEBT COLLECTION SETOFF PROCEDURES
3 Section 1. Section 8A.504, subsection 2, paragraph f,
4 subparagraph (1), Code Supplement 2011, is amended to read as
5 follows:
6 (1) Upon notice of entitlement to a payment, the state
7 agency shall send written notification to that person of the
8 state agency's assertion of its rights to all or a portion of
9 the payment and of the state agency's entitlement to recover
10 the liability through the setoff procedure, the basis of
11 the assertion, the opportunity to request that a jointly or
12 commonly owned right to payment be divided among owners, and
13 the person's opportunity to give written notice of intent
14 to contest the amount of the allegation. ~~The state agency~~
15 ~~shall send a copy of the notice to the collection entity.~~ A
16 state agency subject to chapter 17A shall give notice, conduct
17 hearings, and allow appeals in conformity with chapter 17A.
18 DIVISION II
19 ENERGY DEVELOPMENT AND CONSERVATION
20 Sec. 2. Section 8A.301, Code 2011, is amended by adding the
21 following new subsections:
22 NEW SUBSECTION. 01. *"Alternative and renewable energy"*
23 means the same as in section 473.1.
24 NEW SUBSECTION. 2A. *"Energy"* or *"energy sources"* means the
25 same as in section 473.1.
26 Sec. 3. NEW SECTION. 8A.381 **Energy development and**
27 **conservation — duties — report.**
28 1. The department shall do all of the following relating to
29 energy development and conservation:
30 a. Administer and coordinate federal funds for energy
31 conservation, energy management, and alternative and renewable
32 energy programs.
33 b. Administer and coordinate the building energy management
34 program including projects funded through private financing.
35 2. The department shall submit a report by January 1

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1 annually to the governor and the general assembly detailing
2 services provided and assistance rendered pursuant to the
3 building energy management program created in section 8A.383,
4 and pursuant to sections 8A.385 and 8A.386, and regarding
5 receipts and disbursements in relation to the building energy
6 management fund created in section 8A.384.

7 Sec. 4. NEW SECTION. **8A.382 Energy management improvements**
8 **identified and implemented.**

9 The state, state agencies, political subdivisions of the
10 state, school districts, area education agencies, and community
11 colleges may identify and implement, through energy audits
12 and engineering analyses, all energy management improvements
13 identified for which financing is facilitated by the department
14 for the entity. The energy management improvement financings
15 shall be supported through payments from energy savings.

16 Sec. 5. NEW SECTION. **8A.383 Building energy management**
17 **program.**

18 1. The building energy management program shall be
19 administered by the department. The building energy management
20 program consists of the following forms of assistance for the
21 state, state agencies, political subdivisions of the state,
22 school districts, area education agencies, community colleges,
23 and nonprofit organizations:

24 a. Promoting program availability.

25 b. Developing or identifying guidelines and model energy
26 techniques for the completion of energy analyses for state
27 agencies, political subdivisions of the state, school
28 districts, area education agencies, community colleges, and
29 nonprofit organizations.

30 c. Providing technical assistance for conducting or
31 evaluating energy analyses for state agencies, political
32 subdivisions of the state, school districts, area education
33 agencies, community colleges, and nonprofit organizations.

34 d. Providing or facilitating loans, leases, and other
35 methods of alternative financing under the energy loan program

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1 for the state, state agencies, political subdivisions of the
2 state, school districts, area education agencies, community
3 colleges, and nonprofit organizations to implement energy
4 management improvements or energy analyses. In providing
5 financing under this paragraph, the department may set interest
6 rates and fees corresponding to administrative and operational
7 costs.

8 *e.* Providing assistance for obtaining insurance or a
9 guarantee on the energy savings expected to be realized from
10 the implementation of energy management improvements.

11 *f.* Facilitating and providing self-liquidating financing for
12 the state, state agencies, political subdivisions of the state,
13 school districts, area education agencies, community colleges,
14 and nonprofit organizations pursuant to section 8A.386.

15 *g.* Assisting the treasurer of state with financing
16 agreements entered into by the treasurer of state on behalf
17 of state agencies to finance energy management improvements
18 pursuant to section 12.28.

19 2. For the purpose of this section, section 8A.385,
20 and section 8A.386, "*energy management improvement*" means
21 construction, rehabilitation, acquisition, or modification of
22 an installation in a facility or vehicle which is intended to
23 reduce energy consumption, or energy costs, or both, or to
24 allow the use of alternative and renewable energy. "*Energy*
25 *management improvement*" may include control and measurement
26 devices. "*Nonprofit organization*" means an organization exempt
27 from federal income taxation under section 501(c)(3) of the
28 Internal Revenue Code.

29 3. *a.* Moneys awarded or allocated to the state, its
30 citizens, or its political subdivisions as a result of the
31 federal court decisions and United States department of energy
32 settlements resulting from alleged violations of federal
33 petroleum pricing regulations attributable to or contained
34 within the Stripper Well fund shall be allocated to and remain
35 under the control of the department for utilization for energy

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1 program-related staff support purposes.

2 **b.** Moneys received by the state under the state energy
3 program of the federal American Recovery and Reinvestment Act
4 of 2009 may be utilized by the department, in addition to any
5 other appropriations, grants, funds, or gifts received by the
6 department, for the purposes of the building energy management
7 program.

8 Sec. 6. NEW SECTION. **8A.384 Building energy management**
9 **fund.**

10 1. The building energy management fund is created within
11 the state treasury under the control of the department.
12 The fund shall be used for the operational expenses and
13 administrative costs incurred by the department in facilitating
14 and administering the building energy management program
15 established in section 8A.383.

16 2. The building energy management fund shall consist of
17 amounts deposited into the fund or allocated from the following
18 sources:

19 **a.** Any moneys awarded or allocated to the state, its
20 citizens, or its political subdivisions as a result of the
21 federal court decisions and United States department of energy
22 settlements resulting from alleged violations of federal
23 petroleum pricing regulations attributable to or contained
24 within the Exxon fund. Amounts remaining in the oil overcharge
25 account established in section 455E.11, subsection 2, paragraph
26 "e", Code 2007, and the energy conservation trust established
27 in section 473.11, Code 2007, as of June 30, 2008, shall be
28 deposited into the building energy management fund pursuant to
29 this paragraph, notwithstanding section 8.60, subsection 15,
30 Code 2007.

31 **b.** (1) Moneys received in the form of fees imposed upon
32 the state, state agencies, political subdivisions of the
33 state, school districts, area education agencies, community
34 colleges, and nonprofit organizations for services performed or
35 assistance rendered pursuant to the building energy management

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1 program. Fees imposed pursuant to this paragraph shall be
2 established by the department in an amount corresponding to
3 the operational expenses or administrative costs incurred by
4 the department in performing services or providing assistance
5 authorized pursuant to the building energy management program,
6 in an amount not to exceed five percent of the total project
7 cost.

8 (2) Any fees imposed shall be retained by the department and
9 are appropriated to the department for purposes of providing
10 services or assistance under the program.

11 c. Moneys appropriated by the general assembly and any
12 other moneys, including grants and gifts from government and
13 nonprofit organizations, available to and obtained or accepted
14 by the department for placement in the fund.

15 d. Moneys contained in the intermodal revolving loan fund
16 administered by the department of transportation for the fiscal
17 year beginning July 1, 2019, and succeeding fiscal years.

18 e. Moneys in the fund are not subject to section 8.33.
19 Notwithstanding section 12C.7, interest or earnings on moneys
20 in the fund shall be credited to the fund.

21 3. The building energy management fund shall be limited to
22 a maximum of one million dollars. Amounts in excess of this
23 maximum limitation shall be transferred to and deposited in
24 the rebuild Iowa infrastructure fund created in section 8.57,
25 subsection 6.

26 Sec. 7. NEW SECTION. **8A.385 Energy loan program.**

27 1. An energy loan program is established and shall be
28 administered by the department.

29 2. The department may facilitate the loan process for
30 political subdivisions of the state, school districts,
31 area education agencies, community colleges, and nonprofit
32 organizations for implementation of energy management
33 improvements identified in an energy analysis. Loans shall
34 be facilitated for all cost-effective energy management
35 improvements. For political subdivisions of the state, school



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1 districts, area education agencies, community colleges, and
2 nonprofit organizations to receive loan assistance under the
3 program, the department shall require completion of an energy
4 management plan including an energy analysis. The department
5 shall approve loans facilitated under this section.

6 3. a. Cities and counties shall repay the loans from moneys
7 in their debt service funds. Area education agencies shall
8 repay the loans from any moneys available to them.

9 b. School districts and community colleges may enter
10 into financing arrangements with the department or its duly
11 authorized agents or representatives obligating the school
12 district or community college to make payments on the loans
13 beyond the current budget year of the school district or
14 community college. Chapter 75 shall not be applicable. School
15 districts shall repay the loans from moneys in either their
16 general fund or debt service fund. Community colleges shall
17 repay the loans from their general fund. Other entities
18 receiving loans under this section shall repay the loans from
19 any moneys available to them.

20 4. Political subdivisions of the state, school districts,
21 area education agencies, and community colleges shall design
22 and construct the most energy cost-effective facilities
23 feasible and may use financing facilitated by the department to
24 cover the incremental costs above minimum building code energy
25 efficiency standards of purchasing energy-efficient devices and
26 materials unless other lower cost financing is available.

27 5. The department shall not require the state, state
28 agencies, political subdivisions of the state, school
29 districts, area education agencies, or community colleges to
30 implement a specific energy management improvement identified
31 in an energy analysis if the entity that prepared the analysis
32 demonstrates to the department that the facility which is the
33 subject of the energy management improvement is unlikely to be
34 used or operated for the full period of the expected savings
35 payback of all costs associated with implementing the energy



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1 management improvement, including, without limitation, any fees
2 or charges of the department, engineering firms, financial
3 advisors, attorneys, and other third parties, and all financing
4 costs including interest, if financed.

5 6. As used in this section, unless the context otherwise
6 requires:

7 a. "Facility" means a structure that is heated or cooled by
8 a mechanical or electrical system, or any system of physical
9 operation that consumes energy to carry out a process.

10 b. "Loans" means loans, leases, or alternative financing
11 arrangements.

12 Sec. 8. NEW SECTION. 8A.386 Self-liquidating financing.

13 1. a. The department may facilitate financing agreements
14 that may be entered into with political subdivisions of the
15 state, school districts, area education agencies, community
16 colleges, or nonprofit organizations to finance the costs of
17 energy management improvements on a self-liquidating basis.
18 The provisions of section 8A.385 defining eligible energy
19 management improvements apply to financings under this section.

20 b. The financing agreement may contain provisions, including
21 interest, term, and obligations to make payments on the
22 financing agreement beyond the current budget year, as may
23 be acceptable to political subdivisions of the state, school
24 districts, area education agencies, community colleges, or
25 nonprofit organizations.

26 c. The department shall assist the treasurer of state with
27 financing agreements entered into by the treasurer of state on
28 behalf of state agencies pursuant to section 12.28 to finance
29 energy management improvements being implemented by state
30 agencies.

31 2. Political subdivisions of the state, school districts,
32 area education agencies, community colleges, and nonprofit
33 organizations may enter into financing agreements and issue
34 obligations necessary to carry out the provisions of this part.
35 Chapter 75 shall not be applicable.

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1 Sec. 9. Section 12.28, subsection 6, Code 2011, is amended
2 to read as follows:

3 6. The maximum principal amount of financing agreements
4 which the treasurer of state can enter into shall be one
5 million dollars per state agency in a fiscal year, subject
6 to the requirements of section 8.46. For the fiscal year,
7 the treasurer of state shall not enter into more than one
8 million dollars of financing agreements per state agency,
9 not considering interest expense. However, the treasurer
10 of state may enter into financing agreements in excess of
11 the one million dollar per agency per fiscal year limit if a
12 constitutional majority of each house of the general assembly,
13 or the legislative council if the general assembly is not in
14 session, and the governor, authorize the treasurer of state
15 to enter into additional financing agreements above the one
16 million dollar authorization contained in this section. The
17 treasurer of state shall not enter into a financing agreement
18 for real or personal property which is to be constructed for
19 use as a prison or prison-related facility without prior
20 authorization by a constitutional majority of each house
21 of the general assembly and approval by the governor of
22 the use, location, and maximum cost, not including interest
23 expense, of the real or personal property to be financed.
24 However, financing agreements for an energy conservation
25 measure, as defined in section 7D.34, for an energy management
26 improvement, as defined in section ~~473.19~~ 8A.383, or for
27 costs associated with projects under section ~~473.13A~~ 8A.382,
28 are exempt from the provisions of this subsection, but are
29 subject to the requirements of section 7D.34. In addition,
30 financing agreements funded through the materials and equipment
31 revolving fund established in section 307.47 are exempt from
32 the provisions of this subsection.

33 Sec. 10. Section 279.53, Code 2011, is amended to read as
34 follows:

35 **279.53 Loan proceeds.**

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1 The proceeds of loans issued to school districts pursuant
2 to section 8A.385, 279.48, or 279.52, ~~or 473.20~~ shall be
3 deposited into either the general fund of a school district
4 or the physical plant and equipment levy fund. The board of
5 directors shall expend the amount of the principal and interest
6 due each year to maturity from the same fund into which the
7 loan proceeds were deposited.

8 Sec. 11. Section 298.3, subsection 1, paragraph g, Code
9 Supplement 2011, is amended to read as follows:

10 g. Expenditures for energy conservation, including payments
11 made pursuant to a guarantee furnished by a school district
12 entering into a financing agreement for energy management
13 improvements, limited to agreements pursuant to section ~~473.19,~~
14 ~~473.20~~ 8A.383, 8A.385, or ~~473.20A~~ 8A.386.

15 Sec. 12. Section 473.7, subsections 3, 4, 5, 8, 9, and 10,
16 Code Supplement 2011, are amended by striking the subsections.

17 Sec. 13. Section 473.15, Code Supplement 2011, is amended
18 to read as follows:

19 **473.15 Annual report.**

20 The authority, in cooperation with the department of
21 administrative services, shall complete an annual report
22 to assess the progress of state agencies in implementing
23 energy management improvements, alternative and renewable
24 energy systems, and life cycle cost analyses under chapter
25 470, and on the use of renewable fuels. The authority shall
26 work with state agencies and with any entity, agency, or
27 organization with which they are associated or involved in
28 such implementation, to use available information to minimize
29 the cost of preparing the report. The authority shall also
30 provide an assessment of the economic and environmental impact
31 of the progress made by state agencies related to energy
32 management and alternative and renewable energy, along with
33 recommendations on technological opportunities and policies
34 necessary for continued improvement in these areas.

35 Sec. 14. REPEAL. Sections 473.13A, 473.19, 473.19A,

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1 473.20, and 473.20A, Code Supplement 2011, are repealed.

2 Sec. 15. TRANSITION PROVISIONS — CONTINUATION OF GRANTS.

3 1. Any moneys remaining in any account or fund under
4 the control of the economic development authority relative
5 to the provisions of this Act shall be transferred to the
6 comparable fund or account under the control of the department
7 of administrative services for such purposes. Notwithstanding
8 section 8.33, the moneys transferred in accordance with this
9 subsection shall not revert to the account or fund from which
10 appropriated or transferred.

11 2. Any license, permit, or contract issued or entered
12 into by the office of energy independence or the economic
13 development authority relating to the provisions of this Act in
14 effect on the effective date of this Act shall continue in full
15 force and effect pending transfer of such licenses, permits, or
16 contracts to the department of administrative services.

17 3. Federal funds utilized by the director of the office of
18 energy independence or the economic development authority prior
19 to the effective date of this Act to administer the provisions
20 of a federal grant under the provisions of this Act shall be
21 applicable to the department of administrative services for the
22 same purposes.

23 Sec. 16. ADMINISTRATIVE RULES — TRANSITION PROVISIONS.

24 1. Any rule, regulation, form, order, or directive
25 promulgated by the economic development authority relative
26 to the provisions of this Act in existence on the effective
27 date of this Act shall continue in full force and effect until
28 amended, repealed, or supplemented by affirmative action of
29 the department of administrative services under the duties
30 and powers established in this Act and under the procedure
31 established in subsection 2.

32 2. In regard to updating references and format in the Iowa
33 administrative code in order to correspond to the transferring
34 of duties as established in this Act, the administrative rules
35 coordinator and the administrative rules review committee, in

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1 consultation with the administrative code editor, shall jointly
2 develop a schedule for the necessary updating of the Iowa
3 administrative code.

4 EXPLANATION

5 This bill concerns the duties and operations of the
6 department of administrative services (DAS) relating to state
7 debt collection setoff procedures and energy development and
8 conservation.

9 STATE DEBT COLLECTION SETOFF PROCEDURES. Code section
10 8A.504(2)(f), concerning setoff procedures, is amended to
11 eliminate the requirement that a copy of a state agency's
12 notice to a person asserting a right to a payment be also
13 provided to the collection agency. Under current law, the
14 collection agency is DAS or any other state agency that
15 maintains a separate accounting system and elects to establish
16 a debt collection setoff procedure.

17 ENERGY DEVELOPMENT AND CONSERVATION. 2011 Iowa Acts,
18 chapter 118, concerning the establishment of the economic
19 development authority, eliminated the office of energy
20 independence and transferred many of the duties of that office
21 to the economic development authority, including the duties
22 related to energy development and conservation in Code chapter
23 473. The bill transfers some of the duties under Code chapter
24 473 from the economic development authority to DAS.

25 Code section 8A.301, concerning definitions related to the
26 physical resources duties of DAS, is amended to add references
27 to two definitions contained in Code chapter 473 that relate to
28 duties transferred from that Code chapter to Code chapter 8A.

29 New Code section 8A.381 references the duties transferred
30 to DAS from the economic development authority and includes
31 a reporting requirement previously included in Code section
32 473.19.

33 Code section 473.13A (energy management improvements
34 identified and implemented) is repealed and the substance of
35 the Code section transferred to new Code section 8A.382.

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1 Code section 473.19 (building energy management program)
2 is repealed and the substance of the Code section transferred
3 to new Code section 8A.383. In addition, the new Code
4 section provides that moneys received by the state under the
5 state energy program of the federal American Recovery and
6 Reinvestment Act of 2009 can be used for the purpose of the
7 program.

8 Code section 473.19A (building energy management fund) is
9 repealed and the substance of the Code section transferred to
10 new Code section 8A.384. In addition, the new Code section
11 provides that fees imposed by DAS for operational expenses
12 or administrative costs incurred by DAS for a project cannot
13 exceed 5 percent of the total project cost.

14 Code section 473.20 (energy loan program) is repealed and
15 the substance of the Code section transferred to new Code
16 section 8A.385.

17 Code section 473.20A (self-liquidating financing) is
18 repealed and the substance of the Code section transferred to
19 new Code section 8A.386.

20 Code section 473.7, concerning the duties of the economic
21 development authority under Code chapter 473, is amended to
22 strike those duties transferred to DAS.

23 Code section 473.15, concerning annual reports by the
24 economic development authority, is amended to provide that the
25 reports be done in cooperation with DAS.

26 The bill also includes transition provisions so that funds
27 impacted by this bill and previously under the control of the
28 economic development authority are transferred to DAS and any
29 grants, contracts, or loans entered into by the authority or
30 the office of energy independence relative to the provisions
31 of this bill prior to the effective date of the bill remain in
32 force when the duties are transferred to DAS. In addition,
33 the bill provides that any administrative rules entered into
34 by the economic development authority relative to the duties
35 transferred in the bill remain in effect until changed by DAS.

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House Study Bill 644 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON COWNIE)

A BILL FOR

1 An Act providing for the licensing of polysomnographic
2 technologists and providing for a penalty.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 147.1, subsections 3 and 6, Code 2011,
2 are amended to read as follows:
3 3. "*Licensed*" or "*certified*", when applied to a physician
4 and surgeon, podiatric physician, osteopathic physician and
5 surgeon, physician assistant, psychologist, chiropractor,
6 nurse, dentist, dental hygienist, dental assistant,
7 optometrist, speech pathologist, audiologist, pharmacist,
8 physical therapist, physical therapist assistant, occupational
9 therapist, occupational therapy assistant, respiratory care
10 practitioner, practitioner of cosmetology arts and sciences,
11 practitioner of barbering, funeral director, dietitian, marital
12 and family therapist, mental health counselor, polysomnographic
13 technologist, social worker, massage therapist, athletic
14 trainer, acupuncturist, nursing home administrator, hearing aid
15 dispenser, or sign language interpreter or transliterator means
16 a person licensed under this subtitle.
17 6. "*Profession*" means medicine and surgery, podiatry,
18 osteopathic medicine and surgery, practice as a physician
19 assistant, psychology, chiropractic, nursing, dentistry,
20 dental hygiene, dental assisting, optometry, speech pathology,
21 audiology, pharmacy, physical therapy, physical therapist
22 assisting, occupational therapy, occupational therapy
23 assisting, respiratory care, cosmetology arts and sciences,
24 barbering, mortuary science, marital and family therapy, mental
25 health counseling, polysomnography, social work, dietetics,
26 massage therapy, athletic training, acupuncture, nursing home
27 administration, hearing aid dispensing, or sign language
28 interpreting or transliterating.
29 Sec. 2. Section 147.2, subsection 1, Code 2011, is amended
30 to read as follows:
31 1. A person shall not engage in the practice of medicine
32 and surgery, podiatry, osteopathic medicine and surgery,
33 psychology, chiropractic, physical therapy, physical therapist
34 assisting, nursing, dentistry, dental hygiene, dental
35 assisting, optometry, speech pathology, audiology, occupational

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1 therapy, occupational therapy assisting, respiratory care,
2 pharmacy, cosmetology arts and sciences, barbering, social
3 work, dietetics, marital and family therapy or mental health
4 counseling, massage therapy, mortuary science, polysomnography,
5 athletic training, acupuncture, nursing home administration,
6 hearing aid dispensing, or sign language interpreting
7 or transliterating, or shall not practice as a physician
8 assistant, unless the person has obtained a license for that
9 purpose from the board for the profession.

10 Sec. 3. Section 147.13, subsection 3, Code 2011, is amended
11 to read as follows:

12 3. For psychology and polysomnographic technology, the
13 board of psychology.

14 Sec. 4. Section 147.14, subsection 1, paragraph g, Code
15 2011, is amended to read as follows:

16 g. For psychology, five members who are licensed to
17 practice psychology, two members who are licensed to practice
18 polysomnographic technology, and two members not licensed to
19 practice psychology and who shall represent the general public.
20 Of the five members who are licensed to practice psychology,
21 one member shall be primarily engaged in graduate teaching in
22 psychology or primarily engaged in research psychology, ~~three~~
23 two members shall be persons who render services in psychology,
24 and one member shall represent areas of applied psychology and
25 may be affiliated with training institutions and shall devote
26 a major part of the member's time to rendering service in
27 psychology.

28 Sec. 5. Section 147.74, Code 2011, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 22A. A person who is licensed to engage
31 in the practice of polysomnography shall have the right to use
32 the title "polysomnographic technologist" or the abbreviation
33 "PSGT".

34 Sec. 6. NEW SECTION. 148F.1 Definitions.

35 As used in this chapter, unless the context otherwise

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1 requires:

2 1. "*Board*" means the board of psychology established in
3 chapter 147.

4 2. "*Direct supervision*" means that the polysomnographic
5 technologist providing supervision must be present in the
6 area where the polysomnographic procedure is being performed
7 and immediately available to furnish assistance and direction
8 throughout the performance of the procedure.

9 3. "*General supervision*" means that the polysomnographic
10 procedure is provided under a physician's overall direction and
11 control, but the physician's presence is not required during
12 the performance of the procedure.

13 4. "*Physician*" means a person who is currently licensed in
14 Iowa to practice medicine and surgery or osteopathic medicine
15 and surgery.

16 5. "*Polysomnographic student*" means a person who is enrolled
17 in a commission on accreditation of allied health education
18 program or an equivalent program as determined by the board,
19 and who may provide sleep-related services under the direct
20 supervision of a polysomnographic technologist as a part of the
21 person's educational program.

22 6. "*Polysomnographic technician*" means a person who has
23 graduated from a commission on accreditation of allied health
24 education program or an equivalent program as determined by the
25 board but has not yet passed an accepted national credentialing
26 examination given by an approved certifying agency, who has
27 obtained a temporary permit from the board, and who may provide
28 sleep-related services under the general supervision of a
29 licensed physician.

30 7. "*Polysomnographic technologist*" means a person who is
31 credentialed by an approved certifying agency and is licensed
32 by the board to engage in the practice of polysomnography under
33 the general supervision of a physician.

34 8. "*Polysomnographic trainee*" means a person who is enrolled
35 in an accredited sleep technologist educational program that is

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1 accredited by the American academy of sleep medicine and who
2 may provide sleep-related services under the direct supervision
3 of a polysomnographic technologist as a part of the person's
4 educational program.

5 9. "*Practice of polysomnography*" means as described in
6 section 148F.2.

7 10. "*Sleep-related services*" means acts performed by
8 polysomnographic technicians, polysomnographic trainees,
9 polysomnographic students, and other persons permitted to
10 perform those services under this chapter, in a setting
11 described in this chapter that would be considered the
12 practice of polysomnography if performed by a polysomnographic
13 technologist.

14 Sec. 7. NEW SECTION. 148F.2 Practice of polysomnography.

15 The practice of polysomnography consists of the following
16 tasks, under the general supervision of a licensed physician:

17 1. Monitoring, recording, and evaluating physiologic data
18 during the evaluation of sleep-related disorders, including
19 sleep-related respiratory disturbances, by applying any of the
20 following techniques, equipment, or procedures:

21 a. Noninvasive continuous, bilevel positive airway pressure,
22 or adaptive servo-ventilation titration on spontaneously
23 breathing patients using a mask or oral appliance; provided,
24 that the mask or oral appliance does not extend into the
25 trachea or attach to an artificial airway.

26 b. Supplemental low-flow oxygen therapy of less than six
27 liters per minute, utilizing a nasal cannula or incorporated
28 into a positive airway pressure device during a polysomnogram.

29 c. Capnography during a polysomnogram.

30 d. Cardiopulmonary resuscitation.

31 e. Pulse oximetry.

32 f. Gastroesophageal pH monitoring.

33 g. Esophageal pressure monitoring.

34 h. Sleep stage recording using surface

35 electroencephalography, surface electrooculography, and surface

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- 1 submental electromyography.
- 2 *i.* Surface electromyography.
- 3 *j.* Electrocardiography.
- 4 *k.* Respiratory effort monitoring, including thoracic and
- 5 abdominal movement.
- 6 *l.* Plethysmography blood flow monitoring.
- 7 *m.* Snore monitoring.
- 8 *n.* Audio and video monitoring.
- 9 *o.* Body movement monitoring.
- 10 *p.* Nocturnal penile tumescence monitoring.
- 11 *q.* Nasal and oral airflow monitoring.
- 12 *r.* Body temperature monitoring.
- 13 2. Monitoring the effects that a mask or oral appliance
- 14 used to treat sleep disorders has on sleep patterns; provided,
- 15 however, that the mask or oral appliance shall not extend into
- 16 the trachea or attach to an artificial airway.
- 17 3. Observing and monitoring physical signs and symptoms,
- 18 general behavior, and general physical response to
- 19 polysomnographic evaluation and determining whether initiation,
- 20 modification, or discontinuation of a treatment regimen is
- 21 warranted.
- 22 4. Analyzing and scoring data collected during the
- 23 monitoring described in this section for the purpose of
- 24 assisting a physician in the diagnosis and treatment of sleep
- 25 and wake disorders that result from developmental defects,
- 26 the aging process, physical injury, disease, or actual or
- 27 anticipated somatic dysfunction.
- 28 5. Implementation of a written or verbal order from a
- 29 licensed physician to perform polysomnography.
- 30 6. Education of a patient regarding the treatment regimen
- 31 that assists the patient in improving the patient's sleep.
- 32 7. Use of any oral appliance used to treat sleep-disordered
- 33 breathing while under the care of a licensed polysomnographic
- 34 technologist during the performance of a sleep study, as
- 35 directed by a licensed dentist.



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1 Sec. 8. NEW SECTION. 148F.3 Location of services.

2 The practice of polysomnography shall take place only in a
3 hospital, a stand-alone sleep laboratory or sleep center, or
4 in the patient's residence in accordance with a physician's
5 order; provided, however, that the scoring of data and the
6 education of patients may take place in settings other than in
7 a hospital, sleep laboratory, sleep center, or the patient's
8 residence.

9 Sec. 9. NEW SECTION. 148F.4 Scope of chapter.

10 Nothing in this chapter shall be construed to limit or
11 restrict a health care practitioner licensed in this state from
12 engaging in the full scope of practice of the individual's
13 profession.

14 Sec. 10. NEW SECTION. 148F.7 Powers of the board.

15 The board may do any of the following:

16 1. Promulgate rules necessary for the implementation and
17 administration of this chapter and the applicable provisions
18 of chapter 147.

19 2. Establish fees as provided in section 147.80.

20 3. Review and approve or reject the application of each
21 person who applies for licensure as a polysomnographic
22 technologist.

23 4. Issue all temporary permits and all approved licenses and
24 renewals of licenses.

25 5. Deny, suspend, revoke, restrict, or impose conditions
26 on a license, as the board deems necessary or appropriate at
27 the time a license is issued, renewed, or reinstated, or as a
28 sanction imposed at the conclusion of a disciplinary hearing.

29 6. Issue private advisory letter rulings to any person
30 licensed under this chapter who makes a request for a ruling
31 regarding any matter within the board's jurisdiction; provided,
32 however, that the ruling shall affect only the licensee making
33 the inquiry and shall have no precedential value for any other
34 contested case or inquiry before the board or the committee.

35 7. Develop a code of ethics for the practice of

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1 polysomnography.

2 8. Develop standards of care for the practice of
3 polysomnography.

4 9. Develop standards for the educational and clinical
5 training of polysomnographic technologists, including the
6 evaluation of the accreditation status of educational programs
7 in polysomnography.

8 10. Develop criteria for the evaluation of applications for
9 licensure submitted by polysomnographic technologists who are
10 licensed in other states.

11 11. Develop continuing education requirements for licensed
12 polysomnographic technologists.

13 Sec. 11. NEW SECTION. 148F.8 Licensing requirement.

14 1. a. Commencing January 1, 2013, a person who is engaged
15 in the practice of polysomnography shall be licensed as
16 provided in this chapter and it shall be unlawful for any
17 person to engage in the practice of polysomnography without
18 such license.

19 b. (1) Prior to January 1, 2013, a person who is engaged in
20 the practice of polysomnography without being licensed under
21 this chapter shall not be deemed to be in violation of this
22 chapter.

23 (2) A person who is engaged in the practice of
24 polysomnography on January 1, 2013, shall be eligible for
25 licensure under this chapter without meeting the educational
26 requirements of this section provided that the person meets the
27 requirements of subsection 2, paragraphs "b", "c", and "d".

28 2. A person seeking licensure as a polysomnographic
29 technologist shall be of good moral character, shall be at
30 least eighteen years of age, shall pay the fees established
31 by the board for licensure, and shall present proof that the
32 person meets all of the following requirements:

33 a. Meet one of the following educational requirements:

34 (1) Graduation from a polysomnographic educational program
35 that is accredited by the committee on accreditation of

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1 polysomnographic technologist education or by a committee
2 on accreditation for the commission on accreditation of
3 allied health education programs, or an equivalent program as
4 determined by the board.

5 (2) Graduation from a respiratory care educational
6 program that is accredited by the committee on accreditation
7 for respiratory care or by a committee on accreditation
8 for the commission on accreditation of allied health
9 education programs, and completion of the curriculum for a
10 polysomnographic certificate established and accredited by the
11 commission on accreditation of allied health education programs
12 as an extension of the respiratory care program.

13 (3) Graduation from an electroneurodiagnostic technologist
14 educational program that is accredited by the committee
15 on accreditation for education in electroneurodiagnostic
16 technology or by a committee on accreditation for the
17 commission on accreditation of allied health education
18 programs, and completion of the curriculum for a
19 polysomnography certificate established and accredited by the
20 commission on accreditation of allied health education programs
21 as an extension of the electroneurodiagnostic education
22 program.

23 (4) Successful completion of an accredited sleep
24 technologist educational program that is accredited by the
25 American academy of sleep medicine.

26 *b.* Pass the national certifying examination given by
27 the board of registered polysomnographic technologists or a
28 nationally recognized accredited certifying agency.

29 *c.* Be credentialed by the board of registered
30 polysomnographic technologists or a nationally recognized
31 accredited certifying agency.

32 *d.* Meet any additional educational or clinical requirements
33 established by the board, as recommended by the committee.

34 3. To be eligible for renewal of a license to engage in the
35 practice of polysomnography, a polysomnographic technologist

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1 shall maintain that person's credential in compliance with
2 rules set forth by a national accredited certifying agency, as
3 adopted by the board in rule.

4 Sec. 12. NEW SECTION. 148F.9 Persons exempt from licensing
5 requirement — temporary permit.

6 1. The following persons may provide sleep-related services
7 without being licensed as a polysomnographic technologist under
8 this chapter:

9 a. A polysomnographic technician may provide sleep-related
10 services under the general supervision of a physician for
11 a period of up to six months from the date of the person's
12 graduation from one of the accredited programs described in
13 section 148F.8. The board may in its sole discretion grant a
14 one-time extension of up to three months beyond this one-year
15 period.

16 b. A polysomnographic trainee may provide sleep-related
17 services under the direct supervision of a polysomnographic
18 technologist as a part of the person's educational program
19 while actively enrolled in an accredited sleep technologist
20 educational program.

21 c. A polysomnographic student may provide sleep-related
22 services under the direct supervision of a polysomnographic
23 technologist as a part of the person's educational program
24 while actively enrolled in a polysomnographic educational
25 program that is accredited by the commission on accreditation
26 of allied health education programs or an equivalent program as
27 determined by the board.

28 d. A person, other than a respiratory care practitioner
29 licensed under this chapter, credentialed in one of the
30 health-related fields accepted by the board of registered
31 polysomnographic technologists or another nationally recognized
32 certifying agency, may provide sleep-related services under
33 the direct supervision of a polysomnographic technologist
34 for a period of up to one year while obtaining the clinical
35 experience necessary to be eligible to take the examination.

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1 2. Before providing any sleep-related services, a
2 polysomnographic technician shall obtain a temporary permit
3 from the board. While providing sleep-related services, the
4 technician shall wear a badge that appropriately identifies the
5 person as a polysomnographic technician.

6 3. Before providing any sleep-related services, a
7 polysomnographic trainee shall give notice to the board that
8 the trainee is enrolled in an approved educational program.
9 Trainees shall wear a badge that appropriately identifies the
10 trainee as a polysomnographic trainee while providing such
11 services.

12 4. Before providing any sleep-related services, a person
13 who is obtaining clinical experience shall give notice to the
14 board that the person is working under the direct supervision
15 of a polysomnographic technologist in order to gain the
16 experience to be eligible to sit for a national certification
17 examination. The person shall wear a badge that appropriately
18 identifies the person while providing such services.

19 5. Polysomnographic students shall not receive compensation
20 for the sleep-related services they provide and shall wear
21 badges that appropriately identify them as students.

22 Sec. 13. NEW SECTION. 148F.10 **Issuance, retirement, and**
23 **renewal of licenses.**

24 1. The board shall issue and renew licenses under this
25 chapter as provided by the board in rule.

26 2. A person who has been issued a license to practice under
27 this chapter who wishes to retire that license shall file with
28 the board an affidavit on a form to be furnished by the board
29 stating the date on which the person retired from practice
30 and other facts that verify the retirement as the board deems
31 necessary. Any such person who thereafter wishes to reenter
32 practice shall request reinstatement of licensure.

33 3. A license issued by the board under this chapter
34 shall contain the name and address of the person to whom it
35 is issued, the date and number of the license, and other

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1 information that the board deems necessary.

2 a. The address contained on the license shall be the address
3 where all correspondence and renewal forms from the board shall
4 be sent.

5 b. Any person whose address changes shall, within thirty
6 days after the change in address, notify the board of the
7 address change. The most recent address contained in the
8 board's records for each license holder shall be the address
9 deemed sufficient for purposes of service of process.

10 4. A license shall either be prominently displayed in the
11 office or place in which the person practices or be stored in a
12 place from which it can be immediately produced upon request of
13 a patient or representative of the board.

14 5. A person whose license has been lost may make application
15 to the board for a replacement. The application shall be
16 accompanied by an affidavit setting out the facts concerning
17 the loss of the original license.

18 Sec. 14. NEW SECTION. 148F.11 Licensing sanctions.

19 The board may impose sanctions for violations of this
20 chapter as provided in chapters 147 and 272C.

21 Sec. 15. INITIAL APPOINTMENTS.

22 1. Initial appointments of polysomnographic technologists
23 to the board of psychology pursuant to this Act shall be made
24 as follows: one member shall be appointed to a term of four
25 years and one member shall be appointed to a term of three
26 years. Each regular appointment thereafter shall be for a term
27 of four years.

28 2. The Iowa sleep society may submit a list of three
29 names to the governor for each position to be filled by a
30 polysomnographic technologist.

31 EXPLANATION

32 This bill requires the licensing of polysomnographic
33 technologists and makes the provisions of Code chapters 147
34 and 272C, including penalty and other regulatory provisions,
35 applicable to other health professions applicable to the

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1 practice of polysomnography. Code section 147.86 provides
2 that it is a serious misdemeanor to violate a provision of the
3 licensing laws. The licensing program is administered and
4 regulated by the board of psychology. The membership of the
5 board of psychology is modified. The board currently has five
6 licensed psychologist members and two public members. The
7 bill provides for five psychologists, two polysomnographic
8 technologists, and two public members, for a total of nine
9 members.

10 A licensed polysomnographic technologist practices under
11 the general supervision of a licensed physician, providing
12 specifically enumerated services related to sleep disorders.
13 A polysomnographic student or trainee enrolled in an approved
14 educational program provides services under the direct
15 supervision of a polysomnographic technologist.

16 The bill sets out educational standards and testing
17 requirements, and provides for disciplinary actions.



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Senate File 2024

S-5013

1 Amend Senate File 2024 as follows:
2 1. Page 1, after line 8 by inserting:
3 <Sec. _____. Section 260C.18A, subsection 1, Code
4 Supplement 2011, is amended by adding the following new
5 paragraph:
6 NEW PARAGRAPH. c. There is appropriated from the
7 general fund of the state to the workforce training and
8 economic development funds, the following amounts:
9 (1) For the fiscal year beginning July 1, 2012,
10 and ending June 30, 2013, the sum of twelve million
11 dollars.
12 (2) For the fiscal year beginning July 1, 2013,
13 and ending June 30, 2014, the sum of twelve million
14 dollars.
15 (3) For the fiscal year beginning July 1, 2014,
16 and ending June 30, 2015, the sum of twelve million
17 dollars.
18 Sec. _____. Section 260C.18A, subsection 2, Code
19 Supplement 2011, is amended by adding the following new
20 paragraph:
21 NEW PARAGRAPH. j. Development and implementation
22 of the national career readiness certificate and the
23 skills certification system endorsed by the national
24 association of manufacturers.>
25 2. Page 1, by striking lines 18 through 33 and
26 inserting:
27 <2. a. There is established for the community
28 colleges a gap tuition assistance fund in the state
29 treasury to be administered by the department of
30 education. The funds in the gap tuition assistance
31 fund are appropriated to the department of education
32 for the gap tuition assistance program.
33 b. There is appropriated from the general fund
34 of the state to the gap tuition assistance fund, the
35 following amounts:
36 (1) For the fiscal year beginning July 1, 2012, and
37 ending June 30, 2013, the sum of two million dollars.
38 (2) For the fiscal year beginning July 1, 2013, and
39 ending June 30, 2014, the sum of two million dollars.
40 (3) For the fiscal year beginning July 1, 2014, and
41 ending June 30, 2015, the sum of two million dollars.
42 c. The aggregate total of grants awarded from the
43 gap tuition assistance fund during a fiscal year shall
44 not be more than two million dollars.>
45 3. Page 2, line 3, by striking
46 <vocational-technical> and inserting <career-technical>
47 4. Page 2, line 8, by striking
48 <vocational-technical> and inserting <career-technical>
49 5. Page 2, line 16, by striking
50 <vocational-technical> and inserting <career-technical>

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1 6. Page 2, line 21, by striking
2 <vocational-technical> and inserting <career-technical>
3 7. Page 2, line 22, by striking
4 <vocational-technical> and inserting <career-technical>
5 8. Page 2, line 26, by striking
6 <vocational-technical> and inserting <career-technical>
7 9. Page 3, line 17, by striking
8 <vocational-technical> and inserting <career-technical>
9 10. Page 3, line 32, by striking
10 <vocational-technical> and inserting <career-technical>
11 11. Page 4, line 9, by striking
12 <vocational-technical> and inserting <career-technical>
13 12. Page 4, by striking lines 23 through 32 and
14 inserting:
15 <10. a. There is appropriated from the general
16 fund of the state to the commission for the skilled
17 workforce shortage tuition grant program, the following
18 amounts:
19 (1) For the fiscal year beginning July 1, 2012, and
20 ending June 30, 2013, the sum of six million dollars.
21 (2) For the fiscal year beginning July 1, 2013, and
22 ending June 30, 2014, the sum of six million dollars.
23 (3) For the fiscal year beginning July 1, 2014, and
24 ending June 30, 2015, the sum of six million dollars.
25 b. Notwithstanding section 8.33, moneys
26 appropriated in this subsection that remain
27 unencumbered or unobligated at the close of the fiscal
28 year shall not revert but shall remain available for
29 expenditure for the purposes designated until the close
30 of the fiscal year that begins July 1, 2014.>
31 13. By renumbering as necessary.

COMMITTEE ON APPROPRIATIONS
ROBERT E. DVORSKY, CHAIRPERSON



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Senate File 2125

S-5014

- 1 Amend Senate File 2125 as follows:
2 1. Page 1, line 11, by striking <order> and
3 inserting <orders>
4 2. Page 1, line 18, by striking <order> and
5 inserting <orders>
6 3. Page 2, line 21, by striking <order> and
7 inserting <orders>
8 4. Page 4, line 27, after <liability> by inserting
9 <or professional disciplinary action>

AMANDA RAGAN



Iowa General Assembly
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Senate File 2191 - Introduced

SENATE FILE 2191
BY ZAUN

A BILL FOR

1 An Act providing for the distribution of fines collected under
2 a city or county automated traffic law enforcement program
3 to local nonprofit organizations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5995XS (3) 84
dea/nh



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S.F. 2191

1 Section 1. Section 331.307, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 14. *a.* Notwithstanding any other provision
4 of law, civil fines collected by a county from the use of an
5 automated traffic law enforcement system shall be allocated as
6 follows:

7 (1) The amount necessary to satisfy contractual obligations
8 of the county relating to the use of automated traffic law
9 enforcement systems shall be retained by the county for that
10 purpose.

11 (2) Moneys in excess of the amount necessary for the
12 purpose specified in subparagraph (1) shall be deposited in
13 the automated traffic law enforcement program fund established
14 pursuant to section 331.440A.

15 *b.* For purposes of this subsection, "*automated traffic law*
16 *enforcement system*" means a device with one or more sensors
17 working in conjunction with a traffic control signal or device
18 or a speed-measuring device to produce recorded images of
19 vehicles being operated in violation of traffic or speed laws.

20 Sec. 2. Section 331.401, subsection 1, Code 2011, is amended
21 by adding the following new paragraph:

22 NEW PARAGRAPH. *t.* Comply with section 331.440A, if the
23 county has established an automated traffic law enforcement
24 program fund.

25 Sec. 3. NEW SECTION. 331.440A **Automated traffic**
26 **law enforcement program fund — distribution to nonprofit**
27 **organizations.**

28 1. A county that uses an automated traffic law enforcement
29 system shall establish an automated traffic law enforcement
30 program fund which shall be separate from the county's general
31 fund. Interest earned on revenues deposited in the fund
32 pursuant to section 331.307, subsection 14, shall remain in the
33 fund and be used for the purposes specified in this section.
34 Moneys in the fund are not subject to transfer to any other
35 funds established by a county unless such transfer is for a

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1 purpose specified in this section.

2 2. The board of supervisors of a county with an automated
3 traffic law enforcement program fund shall appoint a committee
4 of five residents of the county who are not elected officials
5 to coordinate the distribution of moneys in the fund to
6 nonprofit organizations with a presence in the county. The
7 committee shall review and evaluate applications from nonprofit
8 organizations and select applications for approval. The
9 committee shall submit applications approved by the committee,
10 specifying the amount of funding approved, along with written
11 comments from the committee, to the board for disbursement of
12 funds.

13 3. For purposes of this section, "*nonprofit organization*"
14 means a nonprofit entity which is exempt from federal income
15 taxation pursuant to section 501(c)(3) of the Internal Revenue
16 Code and which is funded in whole or in part by public funds.

17 Sec. 4. Section 364.3, subsection 2, Code Supplement 2011,
18 is amended to read as follows:

19 2. For a violation of an ordinance, a city shall not
20 provide a penalty in excess of the maximum fine and term of
21 imprisonment for a simple misdemeanor under section 903.1,
22 subsection 1, paragraph "a". Am Except as otherwise provided
23 in this section, an amount equal to ten percent of all
24 finances collected by cities shall be deposited in the account
25 established in section 602.8108. However, one

26 a. One hundred percent of all fines collected by a city
27 pursuant to section 321.236, subsection 1, shall be retained
28 by the city.

29 b. Civil fines collected by a city from the use of an
30 automated traffic law enforcement system shall be allocated as
31 follows:

32 (1) The amount necessary to satisfy contractual obligations
33 of the city relating to the use of automated traffic law
34 enforcement systems shall be retained by the city for that
35 purpose.



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1 (2) Moneys in excess of the amount necessary for the purpose
2 specified in subparagraph (1) shall be deposited in the city's
3 automated traffic law enforcement program fund established
4 pursuant to section 384.3B.

5 (3) For purposes of this subsection, "automated traffic law
6 enforcement system" means a device with one or more sensors
7 working in conjunction with a traffic control signal or device
8 or a speed-measuring device to produce recorded images of
9 vehicles being operated in violation of traffic or speed laws.

10 c. The criminal penalty surcharge required by section 911.1
11 shall be added to a city fine and is not a part of the city's
12 penalty.

13 Sec. 5. NEW SECTION. 384.3B Automated traffic law
14 enforcement program fund — distribution to nonprofit
15 organizations.

16 1. A city that uses an automated traffic law enforcement
17 system shall establish an automated traffic law enforcement
18 program fund which shall be separate from the city's general
19 fund. Interest earned on revenues deposited in the fund
20 pursuant to section 364.3, subsection 2, shall remain in the
21 fund and be used for the purposes specified in this section.
22 Moneys in the fund are not subject to transfer to any other
23 funds established by a city unless such transfer is for a
24 purpose specified in this section.

25 2. The city council of a city with an automated traffic
26 law enforcement program fund shall appoint a committee of
27 five residents of the city who are not elected officials to
28 coordinate the distribution of moneys in the fund to nonprofit
29 organizations with a presence in the city. The committee shall
30 review and evaluate applications from nonprofit organizations
31 and select applications for approval. The committee shall
32 submit applications approved by the committee, specifying the
33 amount of funding approved, along with written comments from
34 the committee, to the city council for disbursement of funds.

35 3. For purposes of this section, "*nonprofit organization*"

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1 means a nonprofit entity which is exempt from federal income
2 taxation pursuant to section 501(c)(3) of the Internal Revenue
3 Code and which is funded in whole or in part by public funds.

4 EXPLANATION

5 This bill requires each city or county that uses automated
6 traffic law enforcement systems to establish an automated
7 traffic law enforcement program fund separate from the city's
8 or county's general fund. The bill directs that, from the
9 civil fines collected by a city or county from the use of
10 automated traffic law enforcement systems, the amount necessary
11 to satisfy the contractual obligations relating to the use of
12 the systems shall be retained by the city or county. Moneys
13 in excess of that amount are to be deposited in the city's or
14 county's automated traffic law enforcement program fund.

15 A city or county with an automated traffic law enforcement
16 program fund shall appoint a committee of five residents of the
17 city or county who are not elected officials to coordinate the
18 distribution of moneys in the fund to nonprofit organizations
19 with a presence in the city or county. The city council or
20 county board of supervisors is responsible for disbursement
21 of moneys to successful applicants chosen by the citizen
22 committee.



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Senate File 2192 - Introduced

SENATE FILE 2192
BY SENG

A BILL FOR

1 An Act relating to open records requests and violations.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5774SS (4) 84
rh/rj



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S.F. 2192

1 Section 1. NEW SECTION. **22.2A Record requests — time**
2 **limits.**

3 1. Upon receipt of an oral or written request to examine or
4 copy a public record, the lawful custodian shall, if feasible
5 in the ordinary course of business, permit such examination
6 or copying at the time of the request. If it is not feasible
7 in the ordinary course of business to permit examination or
8 copying of the public record at the time of the request, the
9 lawful custodian shall immediately notify the requester, orally
10 or in writing, when such examination or copying may take place,
11 which shall be no later than five business days from the time
12 of the request unless there is good cause for further delay.
13 If further delay is necessary because of good cause, the lawful
14 custodian shall provide the requester with a written statement
15 detailing the reason or reasons for the delay and the date by
16 which the request will be satisfied.

17 2. If the lawful custodian is in doubt as to whether the
18 record requested is a public record or whether the requester
19 should be permitted to examine or copy a public record
20 authorized but not required to be released under section 22.7,
21 the lawful custodian shall make that determination within ten
22 business days from the date of the request. Examination or
23 copying of the government record must be allowed within five
24 business days from the date the lawful custodian makes the
25 decision in such circumstances to permit examination or copying
26 of the record.

27 3. If the lawful custodian denies a request to examine or
28 copy a public record, the custodian must provide the requester
29 at the time of the denial a written statement denying the
30 request and detailing the specific reason or reasons for the
31 denial.

32 4. If the lawful custodian does not fulfill a request to
33 examine or copy a public record within the times prescribed
34 in this section, the request shall be deemed denied and the
35 requester shall be entitled to file a lawsuit against the

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1 lawful custodian pursuant to section 22.10.

2 Sec. 2. Section 22.8, subsection 4, paragraph d, Code 2011,
3 is amended to read as follows:

4 d. To determine whether a confidential record should be
5 available for inspection and copying to the person requesting
6 the right to do so. A reasonable delay for this purpose shall
7 not exceed twenty calendar days and ordinarily should not
8 exceed ten business days. In adjudicating an attorney fee
9 claim pursuant to a violation of this paragraph, the district
10 court shall make an express finding as to whether a delay in
11 making the government record available by a lawful custodian
12 was reasonable and in good faith.

13 Sec. 3. NEW SECTION. **22.15 Receipts and disbursements.**

14 The records of accounts of receipts and disbursements of a
15 government body are public records and shall be made available
16 to the public upon request.

17 EXPLANATION

18 RECORDS REQUESTS — TIME LIMITS. The bill provides that
19 upon receipt of an oral or written request to examine or copy
20 a public record, the lawful custodian shall, if feasible in
21 the ordinary course of business, permit such examination or
22 copying at the time of the request. If it is not feasible
23 in the ordinary course of business to permit examination or
24 copying of the public record at the time of the request, the
25 lawful custodian shall immediately notify the requester, orally
26 or in writing, when such examination or copying may take place
27 which shall be no later than five business days from the time
28 of the request unless there is good cause for further delay.
29 If further delay is necessary because of good cause, the lawful
30 custodian shall provide the requester with a written statement
31 detailing the reason or reasons for the delay and the date by
32 which the request will be satisfied. If the lawful custodian
33 is in doubt as to whether the record requested is a public
34 record or whether the requester should be permitted to examine
35 or copy a record authorized but not required to be released

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1 pursuant to Code section 22.7, the lawful custodian shall make
2 that determination within 10 business days from the date of the
3 request. Examination or copying of the record must be allowed
4 within five business days from the date the lawful custodian
5 makes the decision to permit examination or copying of the
6 record. If the lawful custodian denies a request to examine
7 or copy a record, the custodian must provide the requester at
8 the time of the denial a written statement denying the request
9 and detailing the specific reason or reasons for the denial.
10 If the lawful custodian does not fulfill a request to examine
11 or copy a public record within the time frames prescribed,
12 the request shall be deemed denied and the requester shall be
13 entitled to a lawsuit against the lawful custodian pursuant to
14 Code section 22.10.

15 RECORDS REQUESTS — DELAYS — ATTORNEY FEES. Current
16 law provides that a good-faith, reasonable delay by a lawful
17 custodian in permitting the examination and copying of a
18 government record is not a violation of Code chapter 22 if the
19 purpose of the delay is due to certain circumstances, including
20 if the lawful custodian needs time to determine whether a
21 confidential record should be available for inspection and
22 copying to the person requesting the right to do so. A
23 reasonable delay for this purpose shall not exceed twenty
24 calendar days and ordinarily should not exceed ten business
25 days. The bill provides that in adjudicating an attorney fee
26 claim pursuant to a violation of this provision, the district
27 court is required to make an express finding as to whether a
28 delay in allowing the release of the government record by a
29 lawful custodian was reasonable and in good faith.

30 RECEIPTS AND DISBURSEMENTS — RECORDS REQUESTS. The
31 bill amends Code chapter 22 to provide that the records of
32 accounts of receipts and disbursements of a government body are
33 public records and shall be made available to the public upon
34 request. Under Code chapter 22, a government body includes a
35 state agency, any county, city, township, school corporation,

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1 political subdivision, tax-supported district, certain
2 nonprofit corporations, and the governing body of a drainage
3 or levee district.



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Senate File 2193 - Introduced

SENATE FILE 2193
BY CHELGREN

A BILL FOR

1 An Act creating an exemption from the computation of the state
2 individual income tax of net capital gains from an equity
3 investment in a qualified Iowa business and including
4 retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5908XS (2) 84
mm/sc



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S.F. 2193

1 Section 1. Section 422.7, Code Supplement 2011, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 57. *a.* Subtract, to the extent included,
4 the net capital gains from the sale of an equity investment in
5 a qualified Iowa business.

6 *b.* In order to be eligible for the deduction in paragraph
7 "*a*", the taxpayer must be a resident of this state.

8 *c.* For purposes of this subsection:

9 (1) "*Equity investment*" means an equity interest in a
10 business which equity interest was received in exchange for
11 a capital contribution or payment in the form of cash, real
12 property, or tangible personal property.

13 (2) "*Qualified Iowa business*" means a business whose
14 commercial domicile, as defined in section 422.32, is
15 in this state, and includes a sole proprietorship, joint
16 venture, partnership, limited liability company, corporation,
17 association, or any other business entity operated for profit.

18 Sec. 2. RETROACTIVE APPLICABILITY. This division of this
19 Act applies retroactively to January 1, 2012, for tax years
20 beginning on or after that date.

21 EXPLANATION

22 This bill creates an exemption from the computation of
23 net income for the individual income tax of net capital
24 gains from the sale of an equity investment in a qualified
25 Iowa business. "Equity investment" is defined as an equity
26 interest in a business that was received in exchange for a
27 capital contribution or payment in the form of cash, real
28 property, or tangible personal property. "Qualified Iowa
29 business" is defined as any business operated for profit whose
30 commercial domicile is in Iowa. In order to be eligible for
31 this exemption a taxpayer must be a resident of Iowa.

32 The bill applies retroactively to January 1, 2012, for tax
33 years beginning on or after that date.



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Senate File 2194 - Introduced

SENATE FILE 2194
BY SORENSON

A BILL FOR

1 An Act relating to the prohibition of terminations of pregnancy
2 and abortions, providing penalties, and including effective
3 date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5830XS (3) 84
pf/nh



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S.F. 2194

1 Section 1. Section 135.1, unnumbered paragraph 1, Code
2 2011, is amended to read as follows:
3 For the purposes of chapter 155 and Title IV, subtitle 2,
4 ~~excluding chapter 146~~, unless otherwise defined:
5 Sec. 2. Section 135.11, subsections 10 and 12, Code
6 Supplement 2011, are amended to read as follows:
7 10. Enforce the law relative to ~~chapter 146 and~~
8 "Health-related Professions", Title IV, subtitle 3, excluding
9 chapter 155.
10 12. Establish, publish, and enforce rules not inconsistent
11 with law for the enforcement of the provisions of chapters 125
12 and 155, and Title IV, subtitle 2, ~~excluding chapter 146 and~~
13 for the enforcement of the various laws, the administration and
14 supervision of which are imposed upon the department.
15 Sec. 3. Section 144.29A, subsections 1 and 2, Code 2011, are
16 amended to read as follows:
17 1. A health care provider who initially identifies and
18 diagnoses a spontaneous termination of pregnancy ~~or who induces~~
19 ~~a termination of pregnancy~~ shall file with the department
20 a report for each termination within thirty days of the
21 occurrence. The health care provider shall make a good faith
22 effort to obtain all of the following information that is
23 available with respect to each termination:
24 a. The confidential health care provider code as assigned
25 by the department.
26 b. The report tracking number.
27 c. The maternal health services region of the Iowa
28 department of public health, as designated as of July 1, 1997,
29 in which the patient resides.
30 d. The race of the patient.
31 e. The age of the patient.
32 f. The marital status of the patient.
33 g. The educational level of the patient.
34 h. The number of previous pregnancies, live births, and
35 spontaneous ~~or induced~~ terminations of pregnancies.

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1 *i.* The month and year in which the termination occurred.
2 *j.* The number of weeks since the patient's last menstrual
3 period and a clinical estimate of gestation.

4 ~~*k.* The method used for an induced termination, including~~
5 ~~whether mifepristone was used.~~

6 2. It is the intent of the general assembly that the
7 information shall be collected, reproduced, released, and
8 disclosed in a manner specified by rule of the department,
9 adopted pursuant to chapter 17A, which ensures the anonymity
10 of the patient who experiences a termination of pregnancy,
11 the health care provider who identifies and diagnoses ~~or~~
12 ~~induces~~ a termination of pregnancy, and the hospital, clinic,
13 or other health facility in which a termination of pregnancy
14 is identified and diagnosed ~~or induced~~. The department may
15 share information with federal public health officials for
16 the purposes of securing federal funding or conducting public
17 health research. However, in sharing the information, the
18 department shall not relinquish control of the information,
19 and any agreement entered into by the department with federal
20 public health officials to share information shall prohibit the
21 use, reproduction, release, or disclosure of the information
22 by federal public health officials in a manner which violates
23 this section. The department shall publish, annually, a
24 demographic summary of the information obtained pursuant to
25 this section, except that the department shall not reproduce,
26 release, or disclose any information obtained pursuant to this
27 section which reveals the identity of any patient, health care
28 provider, hospital, clinic, or other health facility, and shall
29 ensure anonymity in the following ways:

30 *a.* The department may use information concerning the report
31 tracking number or concerning the identity of a reporting
32 health care provider, hospital, clinic, or other health
33 facility only for purposes of information collection. The
34 department shall not reproduce, release, or disclose this
35 information for any purpose other than for use in annually



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1 publishing the demographic summary under this section.

2 **b.** The department shall enter the information, from
3 any report of termination submitted, within thirty days of
4 receipt of the report, and shall immediately destroy the
5 report following entry of the information. However, entry of
6 the information from a report shall not include any health
7 care provider, hospital, clinic, or other health facility
8 identification information including, but not limited to, the
9 confidential health care provider code, as assigned by the
10 department.

11 **c.** To protect confidentiality, the department shall limit
12 release of information to release in an aggregate form which
13 prevents identification of any individual patient, health care
14 provider, hospital, clinic, or other health facility. For the
15 purposes of this paragraph, "*aggregate form*" means a compilation
16 of the information received by the department on termination
17 of pregnancies for each information item listed, with the
18 exceptions of the report tracking number, the health care
19 provider code, and any set of information for which the amount
20 is so small that the confidentiality of any person to whom the
21 information relates may be compromised. The department shall
22 establish a methodology to provide a statistically verifiable
23 basis for any determination of the correct amount at which
24 information may be released so that the confidentiality of any
25 person is not compromised.

26 Sec. 4. Section 144.29A, subsection 8, Code 2011, is amended
27 by striking the subsection.

28 Sec. 5. Section 216.6, subsection 2, paragraph c, Code 2011,
29 is amended by striking the paragraph.

30 Sec. 6. Section 216.13, Code 2011, is amended to read as
31 follows:

32 **216.13 Exceptions for retirement plans, ~~abortion coverage,~~**
33 **life, disability, and health benefits.**

34 The provisions of this chapter relating to discrimination
35 because of age do not apply to a retirement plan or benefit

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1 system of an employer unless the plan or system is a mere
2 subterfuge adopted for the purpose of evading this chapter.
3 1. However, a retirement plan or benefit system shall not
4 require the involuntary retirement of a person under the age of
5 seventy because of that person's age. This paragraph does not
6 prohibit the following:

7 a. The involuntary retirement of a person who has attained
8 the age of sixty-five and has for the two prior years been
9 employed in a bona fide executive or high policymaking position
10 and who is entitled to an immediate, nonforfeitable annual
11 retirement benefit from a pension, profit-sharing, savings,
12 or deferred compensation plan of the employer which equals
13 twenty-seven thousand dollars. This retirement benefit test
14 may be adjusted according to the regulations prescribed by
15 the United States secretary of labor pursuant to Pub. L. No.
16 95-256, section 3.

17 b. The involuntary retirement of a person covered by a
18 collective bargaining agreement which was entered into by a
19 labor organization and was in effect on September 1, 1977.
20 This exemption does not apply after the termination of that
21 agreement or January 1, 1980, whichever first occurs.

22 ~~2. A health insurance program provided by an employer may~~
23 ~~exclude coverage of abortion, except where the life of the~~
24 ~~mother would be endangered if the fetus were carried to term or~~
25 ~~where medical complications have arisen from an abortion.~~

26 ~~3.~~ 2. An employee welfare plan may provide life, disability
27 or health insurance benefits which vary by age based on
28 actuarial differences if the employer contributes equally for
29 all the participating employees or may provide for employer
30 contributions differing by age if the benefits for all the
31 participating employees do not vary by age.

32 Sec. 7. Section 602.8102, subsection 31, Code 2011, is
33 amended by striking the subsection.

34 Sec. 8. Section 707.7, Code 2011, is amended to read as
35 follows:

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1 **707.7 Feticide.**

2 1. Any person who intentionally terminates a human
3 pregnancy, with the knowledge and voluntary consent of the
4 pregnant person, ~~after the end of the second trimester of the~~
5 ~~pregnancy~~ where death of the fetus results, commits feticide.
6 Feticide is a class "C" "A" felony.

7 2. Any person who attempts to intentionally terminate a
8 human pregnancy, with the knowledge and voluntary consent of
9 the pregnant person, ~~after the end of the second trimester of~~
10 ~~the pregnancy~~ where death of the fetus does not result, commits
11 attempted feticide. Attempted feticide is a class "D" "B"
12 felony.

13 3. ~~Any person who terminates a human pregnancy, with the~~
14 ~~knowledge and voluntary consent of the pregnant person, who~~
15 ~~is not a person licensed to practice medicine and surgery~~
16 ~~or osteopathic medicine and surgery under the provisions of~~
17 ~~chapter 148, commits a class "C" felony. For the purposes of~~
18 this section, "termination of a human pregnancy" means the use
19 of any means to terminate the pregnancy of a woman known to be
20 pregnant with the intent other than to produce a live birth
21 or to remove a dead fetus. "Termination of a human pregnancy"
22 does not include a fetal death as defined in section 144.1 or
23 the spontaneous termination of pregnancy as defined in section
24 144.29A.

25 4. ~~This section shall not apply to the termination of a~~
26 ~~human pregnancy performed by a physician licensed in this state~~
27 ~~to practice medicine or surgery or osteopathic medicine or~~
28 ~~surgery when in the best clinical judgment of the physician~~
29 ~~the termination is performed to preserve the life or health~~
30 ~~of the pregnant person or of the fetus and every reasonable~~
31 ~~medical effort not inconsistent with preserving the life of the~~
32 ~~pregnant person is made to preserve the life of a viable fetus.~~
33 Section 703.1 relating to aiding and abetting and section 703.2
34 relating to joint criminal conduct shall apply to persons
35 knowingly participating or concerned in the commission of



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1 feticide or attempted feticide under this section.

2 Sec. 9. Section 707.8, Code 2011, is amended to read as
3 follows:

4 **707.8 Nonconsensual termination — serious injury to a human**
5 **pregnancy.**

6 1. A person who terminates a human pregnancy without the
7 consent of the pregnant person during the commission of a
8 forcible felony is guilty of a class ~~"B"~~ "A" felony.

9 2. A person who terminates a human pregnancy without
10 the consent of the pregnant person during the commission of
11 a felony or felonious assault is guilty of a class ~~"C"~~ "B"
12 felony.

13 3. A person who intentionally terminates a human pregnancy
14 without the knowledge and voluntary consent of the pregnant
15 person is guilty of a class ~~"C"~~ "A" felony.

16 4. A person who unintentionally terminates a human
17 pregnancy by any of the means provided pursuant to section
18 707.6A, subsection 1, is guilty of a class ~~"C"~~ "B" felony.

19 5. A person who by force or intimidation procures the
20 consent of the pregnant person to a termination of a human
21 pregnancy is guilty of a class ~~"C"~~ "B" felony.

22 6. A person who unintentionally terminates a human
23 pregnancy while drag racing in violation of section 321.278 is
24 guilty of a class ~~"D"~~ "C" felony.

25 7. A person who unintentionally terminates a human
26 pregnancy without the knowledge and voluntary consent of the
27 pregnant person by the commission of an act in a manner likely
28 to cause the termination of or serious injury to a human
29 pregnancy is guilty of ~~an aggravated misdemeanor~~ a class "D"
30 felony.

31 8. A person commits ~~an aggravated misdemeanor~~ a class "D"
32 felony when the person intentionally causes serious injury
33 to a human pregnancy by the commission of an act in a manner
34 likely to cause the termination of or serious injury to a human
35 pregnancy.



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1 9. A person commits ~~an aggravated misdemeanor~~ a class "D"
2 felony when the person unintentionally causes serious injury
3 to a human pregnancy by any of the means described in section
4 707.6A, subsection 1.

5 10. A person commits ~~a serious~~ an aggravated misdemeanor
6 when the person unintentionally causes serious injury to a
7 human pregnancy by the commission of an act in a manner likely
8 to cause the termination of or serious injury to the human
9 pregnancy.

10 11. For the purposes of this section "*serious injury to*
11 *a human pregnancy*" means, relative to the human pregnancy,
12 disabling mental illness, or bodily injury which creates a
13 substantial risk of death or which causes serious permanent
14 disfigurement, or protracted loss or impairment of the function
15 of any bodily member or organ, and includes but is not limited
16 to skull fractures, rib fractures, and metaphyseal fractures
17 of the long bones.

18 12. As used in this section, actions which cause the
19 termination of or serious injury to a pregnancy do not apply
20 to any of the following:

21 a. An unintentional act or omission of the pregnant person.

22 b. A termination of or a serious injury to a pregnancy
23 which is caused by the performance of an approved medical
24 procedure performed by a person licensed in this state to
25 practice medicine and surgery or osteopathic medicine and
26 surgery, irrespective of the duration of the pregnancy and
27 with or without the voluntary consent of the pregnant person
28 when circumstances preclude the pregnant person from providing
29 consent.

30 c. An act committed in self-defense or in defense of another
31 person or any other act committed if legally justified or
32 excused.

33 Sec. 10. REPEALS.

34 1. Sections 232.5, 707.8A, 707.9, and 707.10, Code 2011,
35 are repealed.



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1 2. Chapters 135L and 146, Code 2011, are repealed.
2 Sec. 11. SEVERABILITY. If any provision of this Act or
3 the application of this Act to any person or circumstances is
4 held invalid, the invalidity shall not affect other provisions
5 or applications of the Act which can be given effect without
6 the invalid provisions or application and, to this end, the
7 provisions of this Act are severable.
8 Sec. 12. EFFECTIVE UPON ENACTMENT. This Act, being deemed
9 of immediate importance, takes effect upon enactment.

10 EXPLANATION

11 This bill relates to prohibiting abortions.
12 The bill makes conforming changes throughout the Code to
13 eliminate any reference to allowing abortions or terminations
14 of pregnancy. The bill amends the termination of pregnancy
15 reporting section (Code section 144.29A) to only include the
16 reporting of spontaneous terminations of pregnancy.
17 The bill amends a Code section relating to unfair employment
18 practices (Code section 216.6) to eliminate references to
19 disabilities caused or contributed to by legal abortion.
20 The bill amends a Code section relating to discrimination
21 relating to health insurance abortion coverage (Code section
22 216.13) to eliminate the reference to abortion coverage.
23 The bill amends Code section 707.7 (feticide) to provide
24 for application of the elements of the crime of feticide
25 at any point in the pregnancy rather than only after the
26 end of the second trimester. The bill also increases the
27 penalty from a class "C" felony to a class "A" felony for the
28 intentional termination of a human pregnancy with the knowledge
29 and voluntary consent of the pregnant person when the death
30 of the fetus results. (A class "C" felony is punishable by
31 confinement for no more than 10 years and a fine of at least
32 \$1,000 but not more than \$10,000; and a class "A" felony is
33 punishable by confinement for life without possibility of
34 parole). The bill also increases the penalty from a class "D"
35 felony to a class "B" felony for the intentional termination of



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1 a human pregnancy with the knowledge and voluntary consent of
2 the pregnant person when death of the fetus does not result.
3 (A class "D" felony is punishable by confinement for no more
4 than five years and a fine of at least \$750 but not more than
5 \$7,500; and a class "B" felony is punishable by confinement
6 for no more than 25 years.) The bill also provides that the
7 offenses of aiding and abetting and joint criminal conduct
8 apply to commission of a feticide.

9 The bill amends Code section 707.8 (nonconsensual
10 termination — serious injury to a human pregnancy) to increase
11 the penalties for each offense. The amendment to the Code
12 section also exempts an act or omission by the pregnant person
13 only if the act or omission was unintentional.

14 The bill strikes and repeals Code provisions that relate
15 to allowing abortions under certain circumstances. The bill
16 repeals Code section 232.5 (abortion performed on a minor
17 — waiver of notification proceedings), Code section 707.8A
18 (partial birth abortion), Code section 707.9 (murder of a fetus
19 aborted alive), Code section 707.10 (duty to preserve the life
20 of the fetus), Code chapter 135L (notification requirements
21 regarding pregnant minors), and Code chapter 146 (abortions —
22 refusal to perform). The bill also makes conforming changes
23 to strike references to Code provisions stricken or repealed
24 in the bill.

25 The bill provides for severability of any provision
26 or application of the bill that is held invalid from the
27 provisions or applications of the bill which can be given
28 effect without the invalid provisions or application. The bill
29 takes effect upon enactment.



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Senate File 2195 - Introduced

SENATE FILE 2195
BY RIELLY

A BILL FOR

1 An Act relating to payment of medical assistance debts from
2 certain insurance policy and annuity proceeds.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 249A.3, Code Supplement 2011, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 15. In determining the eligibility of
4 an individual for medical assistance under this chapter, an
5 insurance policy or annuity purchased to fund a purchase
6 agreement to furnish cemetery merchandise, funeral merchandise,
7 funeral services, or a combination thereof as provided in
8 chapter 523A in which the department is designated as the
9 primary beneficiary of any remaining funds as provided in
10 section 523A.304, shall be excluded as a resource.

11 Sec. 2. Section 523A.301, Code 2011, is amended to read as
12 follows:

13 **523A.301 Definition.**

14 As used in sections 523A.302, ~~and 523A.303, and 523A.304,~~
15 "*director*" means the director of human services.

16 Sec. 3. Section 523A.303, subsection 1, unnumbered
17 paragraph 1, Code 2011, is amended to read as follows:

18 If funds remain in a ~~nonguaranteed~~ an irrevocable burial
19 trust fund ~~or from the proceeds of an insurance policy or~~
20 ~~annuity made payable or assigned to the seller or a provider~~
21 after the payment of funeral and burial expenses in accordance
22 with the conditions and terms of the purchase agreement for
23 cemetery merchandise, funeral merchandise, or funeral services,
24 the seller shall comply with all of the following:

25 Sec. 4. NEW SECTION. **523A.304 Disbursement of insurance or**
26 **annuity proceeds — medical assistance debts.**

27 1. If an insurance policy or annuity is purchased to fund
28 a purchase agreement and the insured or annuitant is or may
29 become a recipient of medical assistance benefits under chapter
30 249A, unless the primary beneficiary of the policy or annuity
31 is the spouse or disabled child of the insured or annuitant,
32 the insurance policy or annuity shall designate, or shall be
33 amended to designate, the department of human services as the
34 primary beneficiary of any funds that remain from the proceeds
35 of the insurance policy or annuity after payment of funeral and

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1 burial expenses in accordance with the conditions and terms of
2 the purchase agreement.

3 2. If the funds remaining from the proceeds of the insurance
4 policy or annuity are disbursed as provided in subsection 1
5 and as otherwise provided in the insurance policy or annuity,
6 if applicable, the seller, provider, or insurer shall not
7 be liable to the director, the estate of the deceased, a
8 personal representative, or any other interested person for the
9 remaining funds and any lien imposed by the director shall be
10 unenforceable against the seller, provider, or insurer.

11 3. This section is applicable to an insurance policy or
12 annuity issued prior to January 1, 2013, that funds a purchase
13 agreement for an insured or annuitant who receives or may
14 receive medical assistance benefits under chapter 249A, and who
15 dies on or after January 1, 2014.

16 4. This section is applicable to an insurance policy or
17 annuity issued on or after January 1, 2013, to fund a purchase
18 agreement for an insured or annuitant who receives or may
19 receive medical assistance benefits under chapter 249A, and who
20 dies on or after January 1, 2013, and on or after the date of
21 issuance of the insurance policy or annuity.

22 EXPLANATION

23 This bill relates to the payment of medical assistance debts
24 from proceeds remaining from insurance policies and annuities
25 purchased to fund the payment of funeral and burial expenses in
26 accordance with the terms of a purchase agreement for cemetery
27 merchandise, funeral merchandise, or funeral services.

28 New Code section 523A.304 provides that if such an insurance
29 policy or annuity is purchased and the insured or annuitant is
30 or may become a recipient of medical assistance benefits under
31 Code chapter 249A, unless the primary beneficiary designated
32 is the spouse or disabled child of the insured or annuitant,
33 the insurance policy or annuity shall designate or be amended
34 to designate the department of human services as the primary
35 beneficiary of any funds remaining from the proceeds of the

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1 policy or annuity after payment of funeral and burial expenses.
2 If any funds remaining are disbursed pursuant to such
3 designation and as otherwise provided in the insurance policy
4 or annuity, if applicable, the seller, provider, or insurer of
5 cemetery and funeral merchandise and funeral services shall
6 not be liable to the director of human services, the estate
7 of the deceased, a personal representative, or any other
8 interested person for the remaining funds and any lien imposed
9 by the director for medical assistance debts is not enforceable
10 against such a seller, provider, or insurer.

11 The bill deletes a requirement in Code section 523A.303
12 that a seller, provider, or insurer must provide notice to the
13 director of human services concerning remaining funds from the
14 proceeds of such insurance policies or annuities. The bill
15 also provides that if the primary beneficiary of any remaining
16 funds from the proceeds of such an insurance policy or annuity
17 is designated as required in the bill, the insurance policy or
18 annuity is excluded as a resource in determining eligibility
19 for medical assistance benefits under Code chapter 249A.

20 New Code section 523A.304 applies to an insurance policy or
21 annuity issued prior to January 1, 2013, that funds a purchase
22 agreement for cemetery and funeral merchandise and funeral
23 services for an insured or annuitant who receives or may
24 receive medical assistance benefits under Code chapter 249A,
25 and who dies on or after January 1, 2014.

26 New Code section 523A.304 also applies to an insurance
27 policy or annuity issued on or after January 1, 2013, to fund
28 such a purchase agreement for an insured or annuitant who
29 receives or may receive medical assistance benefits under Code
30 chapter 249A, and who dies on or after January 1, 2013, and
31 on or after the date of issuance of the insurance policy or
32 annuity.



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Senate File 2196 - Introduced

SENATE FILE 2196
BY ZAUN

A BILL FOR

1 An Act relating to the creation of a transfer on death
2 designation affidavit, and providing penalties, and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5057XS (3) 84
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1 Section 1. Section 331.602, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 4. Record a transfer on death designation
4 affidavit created pursuant to section 565C.1 and presented to
5 the recorder's office for recording in the same manner as deeds
6 are recorded. The recorder shall collect a fee for recording
7 the affidavit in the same amount as the fee for recording deeds
8 and shall index the affidavit in the name of the owner of
9 record of the real property or interest in the real property
10 who executed the affidavit.

11 Sec. 2. NEW SECTION. 565C.1 Transfer on death designation
12 affidavit.

13 1. a. Any individual who owns real property or any
14 interest in real property as a sole owner, tenant in common,
15 or surviving joint tenant, or together with the individual's
16 spouse owns an indivisible interest in real property as tenants
17 by the entireties, may designate the entire interest, or any
18 specified part that is less than the entire interest, in
19 such real property as transferable on death to a designated
20 beneficiary or beneficiaries by executing, together with the
21 individual's spouse, if any, a transfer on death designation
22 affidavit pursuant to this section.

23 b. If the affidavit is executed by an individual together
24 with the individual's spouse, if any, the dower rights of the
25 spouse are subordinate to the vesting of title to the interest
26 in the real property in the transfer on death beneficiary or
27 beneficiaries designated under this section.

28 c. The affidavit shall be recorded in the office of the
29 county recorder in the county in which the real property is
30 located, and, when recorded, the affidavit or a certified copy
31 of the affidavit shall be evidence of the transfer on death to
32 the beneficiary or beneficiaries so designated in the affidavit
33 insofar as the affidavit affects title to the real property.

34 2. a. If an individual who owns real property or an
35 interest in real property as a sole owner or as a tenant in

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1 common executes a transfer on death designation affidavit,
2 upon the death of the individual, title to the real property
3 or interest in the real property specified in the affidavit
4 vests in the transfer on death beneficiary or beneficiaries
5 designated in the affidavit.

6 **b.** If an individual who owns real property or an interest
7 in real property as a surviving joint tenant executes a
8 transfer on death designation affidavit, upon the death of
9 the individual or of one but not all of the surviving joint
10 tenants, title to the real property or interest in the real
11 property specified in the affidavit vests in the surviving
12 joint tenant or tenants. Upon the death of the last surviving
13 joint tenant, title to the real property or interest in the
14 real property vests in the transfer on death beneficiary or
15 beneficiaries designated in the affidavit, subject to section
16 565C.2.

17 **c.** If an individual who together with the individual's
18 spouse owns an indivisible interest in real property as tenants
19 by the entirety executes a transfer on death designation
20 affidavit, upon the death of the individual, title to the
21 real property or interest in the real property vests in the
22 remaining tenant by the entirety. Upon the death of the
23 remaining tenant by the entirety, title to the real property
24 or interest in the real property vests in the transfer on death
25 beneficiary or beneficiaries designated in the affidavit,
26 subject to section 565C.2.

27 **3.** A transfer on death designation affidavit shall be
28 verified before any person authorized to administer oaths and
29 shall include all of the following:

30 **a.** A description of the real property affected by the
31 affidavit and a reference to an instrument of record containing
32 that description.

33 **b.** If less than the entire interest in the real property
34 is to be transferred on death under the affidavit, a statement
35 of the specific interest or part of the interest in the real

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1 property that is to be so transferred.

2 *c.* A statement by the individual executing the affidavit
3 that the individual is the person appearing on the instrument
4 of record of the real property as the owner of the real
5 property or interest in the real property at the time of
6 the recording of the affidavit and the marital status of the
7 owner. If the owner is married, the affidavit shall include a
8 statement by the owner's spouse stating that the spouse's dower
9 rights are subordinate to the vesting of title to the real
10 property or interest in the real property in the transfer on
11 death beneficiary or beneficiaries designated in the affidavit.

12 *d.* A statement designating one or more persons, identified
13 by name, as the transfer on death beneficiary or beneficiaries.

14 4. The county recorder of the county in which a transfer
15 on death designation affidavit is offered for recording shall
16 receive the affidavit and record it in the same manner as
17 deeds are recorded. The county recorder shall collect a fee
18 for recording the affidavit in the same amount as the fee for
19 recording deeds. The county recorder shall index the affidavit
20 in the name of the owner of record of the real property or
21 interest in the real property who executed the affidavit.

22 5. A transfer on death designation affidavit need not
23 require consideration and need not be delivered to the transfer
24 on death beneficiary or beneficiaries designated in the
25 affidavit to be effective. However, in order to be effective,
26 such affidavit shall be recorded with the county recorder prior
27 to the death of the individual who executed the affidavit.

28 6. Upon the death of any individual who owns real property
29 or an interest in real property that is subject to a transfer
30 on death beneficiary designation made under a transfer on death
31 designation affidavit as provided in this section, the real
32 property or interest in real property of the deceased owner
33 shall be transferred only to the transfer on death beneficiary
34 or beneficiaries who are identified in the affidavit by name
35 and who survive the deceased owner or who are in existence on

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1 the date of death of the deceased owner.

2 7. Any person who knowingly makes a false statement in a
3 transfer on death designation affidavit is guilty of a serious
4 misdemeanor.

5 8. The attorney general shall prescribe forms and adopt
6 rules pursuant to chapter 17A as necessary to administer this
7 section.

8 Sec. 3. NEW SECTION. **565C.2 Designating transfer on death**
9 **beneficiary.**

10 1. A transfer on death beneficiary takes only the interest
11 that a deceased owner of the interest held on the date
12 of death, subject to all encumbrances, reservations, and
13 exceptions.

14 2. If two or more owners hold title to the interest in
15 a surviving joint tenancy, the death of all except the last
16 surviving joint tenant automatically terminates and nullifies
17 any transfer on death beneficiary designations made solely
18 by the deceased surviving joint tenant or tenants without
19 joinder by the last surviving joint tenant. The termination or
20 nullification of any transfer on death beneficiary designations
21 under this section is effective as of the date of death of
22 a deceased surviving joint tenant. No affirmative act of
23 revocation is required of the last surviving joint tenant
24 for the termination or nullification of the transfer on
25 death beneficiary designations to occur as described in this
26 subsection. If the last surviving joint tenant dies without a
27 transfer on death beneficiary designation, the entire interest
28 of that last surviving joint tenant shall be distributed as
29 part of that tenant's probate estate.

30 3. If owners hold title to the interest in a tenancy by the
31 entireties, the death of the first tenant by the entireties
32 automatically terminates and nullifies any transfer on
33 death beneficiary designations made solely by that deceased
34 first tenant without joinder by the remaining tenant by the
35 entireties. The termination or nullification of any transfer

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1 on death beneficiary designations under this subsection is
2 effective as of the date of death of the first tenant by the
3 entireties. No affirmative act of revocation is required of
4 the remaining tenant by the entireties for the termination or
5 nullification of the transfer on death beneficiary designations
6 to occur as described in this subsection. If the remaining
7 tenant by the entireties dies without a transfer on death
8 beneficiary designation, the entire interest of that remaining
9 tenant shall be distributed as part of that tenant's probate
10 estate.

11 Sec. 4. APPLICABILITY.

12 1. This Act does not affect any deed executed and recorded
13 prior to the effective date of this Act.

14 2. This Act applies to a transfer on death designation
15 affidavit recorded on or after the effective date of this Act.

16 EXPLANATION

17 TRANSFER ON DEATH DESIGNATION AFFIDAVIT. The bill creates
18 a transfer on death designation affidavit and provides that
19 any individual who owns real property or any interest in real
20 property as a sole owner, tenant in common, or surviving joint
21 tenant, or along with the individual's spouse, as a tenant
22 by the entireties, may designate the entire interest, or any
23 specified part that is less than the entire interest, in
24 that real property as transferable on death to a designated
25 beneficiary or beneficiaries by executing, together with the
26 individual's spouse, if any, a transfer on death designation
27 affidavit. If the affidavit is executed by an individual
28 together with the individual's spouse, if any, the dower
29 rights of the spouse are subordinate to the vesting of title
30 to the interest in the real property in the transfer on death
31 beneficiary or beneficiaries designated in the affidavit.

32 TRANSFER — TYPES OF PROPERTY INTERESTS.

33 SOLE OWNER — TENANT IN COMMON. If an individual who
34 owns real property or an interest in real property as a sole
35 owner or as a tenant in common executes a transfer on death

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1 designation affidavit, upon the death of that individual, title
2 to the real property or interest in the real property specified
3 in the affidavit vests in the transfer on death beneficiary or
4 beneficiaries designated in the affidavit.

5 SURVIVING JOINT TENANT. If an individual who owns real
6 property or an interest in real property as a surviving joint
7 tenant executes a transfer on death designation affidavit,
8 upon the death of that individual or of one but not all of the
9 surviving joint tenants, title to the real property or interest
10 in the real property specified in the affidavit vests in the
11 surviving joint tenant or tenants. Upon the death of the last
12 surviving joint tenant, title to the real property or interest
13 in the real property vests in the transfer on death beneficiary
14 or beneficiaries designated in the affidavit, subject to the
15 interest that the deceased owner or owners of the interest
16 held on the date of death, and subject to all encumbrances,
17 reservations, and exceptions.

18 TENANTS BY THE ENTIRETIES. If an individual who together
19 with the individual's spouse owns an indivisible interest
20 in real property as tenants by the entireties executes a
21 transfer on death designation affidavit, upon the death of that
22 individual, title to the real property or interest in the real
23 property vests in the remaining tenant by the entireties. Upon
24 the death of the remaining tenant by the entireties, title to
25 the real property or interest in the real property vests in
26 the transfer on death beneficiary or beneficiaries designated
27 in the affidavit, subject to the interest that the deceased
28 owner or owners of the interest held on the date of death, and
29 subject to all encumbrances, reservations, and exceptions.

30 AFFIDAVIT INFORMATION. A transfer on death designation
31 affidavit shall be verified before any person authorized
32 to administer oaths and shall include certain information
33 including a description of the real property affected and
34 a reference to an instrument of record containing that
35 description, a statement of the specific interest or part of

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1 the interest in the real property that is to be transferred,
2 a statement by the individual executing the affidavit that
3 the individual is the person appearing on the instrument of
4 record of the real property as the owner of the real property
5 or interest in the real property at the time of the recording
6 of the affidavit and the marital status of that owner and a
7 statement by the owner's spouse, if applicable, stating that
8 the spouse's dower rights are subordinate to the vesting of
9 title to the real property or interest in the real property in
10 the transfer on death beneficiary or beneficiaries designated
11 in the affidavit, and a statement designating the name of
12 one or more persons as transfer on death beneficiary or
13 beneficiaries.

14 RECORDING — COUNTY RECORDER. The county recorder of the
15 county in which a transfer on death designation affidavit is
16 offered for recording shall receive the affidavit and record
17 the affidavit in the same manner as deeds are recorded. The
18 county recorder shall collect a fee for recording the affidavit
19 in the same amount as the fee for recording deeds and shall
20 index the affidavit in the name of the owner of record of the
21 real property or interest in the real property who executed
22 the affidavit. The affidavit is required to be recorded with
23 the county recorder prior to the death of the individual who
24 executed the affidavit. The bill makes a conforming change
25 to Code section 331.602 relating to the duties of a county
26 recorder.

27 BENEFICIARY IDENTIFICATION. Upon the death of any
28 individual who owns real property or an interest in real
29 property that is subject to a transfer on death beneficiary
30 designation made under a transfer on death designation
31 affidavit, the real property or interest in real property of
32 the deceased owner can only be transferred to the transfer on
33 death beneficiary or beneficiaries who are identified in the
34 affidavit by name and who survive the deceased owner or who are
35 in existence on the date of death of the deceased owner.

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1 FALSE STATEMENT — PENALTY. A person who knowingly makes a
2 false statement in a transfer on death designation affidavit is
3 guilty of a serious misdemeanor.

4 RULES. The attorney general is required to prescribe forms
5 and adopt rules pursuant to Code chapter 17A to administer the
6 requirements of the bill.

7 APPLICABILITY. The bill does not affect any deed executed
8 and recorded prior to the effective date of the bill and
9 applies to a transfer on death designation affidavit recorded
10 on or after the effective date of the bill.



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Senate File 2197 - Introduced

SENATE FILE 2197
BY RIELLY

A BILL FOR

1 An Act relating to the criminal offense of incest, and making
2 penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 726.2, Code 2011, is amended to read as
2 follows:

3 **726.2 Incest.**

4 1. A person, except a child as defined in section 702.5,
5 who performs a sex act with another whom the person knows to be
6 related to the person, either legitimately or illegitimately,
7 as an ancestor, descendant, brother or sister of the whole or
8 half blood, aunt, uncle, niece, or nephew, commits incest.
9 Incest is a class "D" felony.

10 2. For purposes of this section, a person shall be
11 considered legitimately related to the person performing the
12 sex act if the person is adopted by the person performing the
13 sex act.

14 EXPLANATION

15 This bill relates to the criminal offense of incest. The
16 bill provides that for purposes of the crime of incest, a
17 person shall be considered related to the person performing the
18 sex act if the person is adopted by the person performing the
19 sex act.

20 A person who commits incest commits a class "D" felony and
21 shall register as a tier II sex offender under Code chapter
22 692A. A class "D" felony is punishable by confinement for no
23 more than five years and a fine of at least \$750 but not more
24 than \$7,500.



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Senate File 2198 - Introduced

SENATE FILE 2198

BY SORENSON

(COMPANION TO HF 575 BY
PEARSON)

A BILL FOR

1 An Act establishing an Iowa freedom and sovereignty Act and
2 including penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 1.19 Iowa freedom and sovereignty
2 Act.

3 1. *Short title.* This section shall be known as and may be
4 cited as the "*Iowa Freedom and Sovereignty Act*".

5 2. *Findings.* The general assembly finds and declares all of
6 the following relating to federal and state law:

7 a. The Declaration of Independence states the principles
8 underlying all law in the United States.

9 b. The principles from the Declaration of Independence
10 provided the basis for the Constitution of the United States
11 and the Constitution of the State of Iowa, and for providing
12 that basis many consider those principles to be supreme over
13 those constitutions.

14 c. The purpose of the constitutions and for governments
15 is to secure for all citizens of the United States, as stated
16 by the Declaration of Independence, certain "unalienable
17 Rights, that among these are Life, Liberty, and the pursuit of
18 Happiness".

19 d. The form of government established by the founders
20 of this nation can be best described as a republic, not a
21 democracy, and as a republic, sovereign power is vested in
22 citizens individually, not collectively.

23 e. The ninth, tenth, and eleventh amendments to the
24 Constitution of the United States address the rights retained
25 by the people, the powers reserved to the states or to the
26 people, and constraints on the judicial power of the United
27 States relative to suits against one state by citizens of
28 another state or by citizens or subjects of a foreign state.

29 f. The Constitution of the United States establishes the
30 constitution and the laws and treaties of the United States as
31 the supreme law of the United States.

32 g. The sovereign people of the United States have
33 not approved any amendment to alter the authority of the
34 Constitution of the United States.

35 3. *Definitions.* For the purposes of this section, unless

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1 the context otherwise requires:

2 *a.* "Contract" includes arbitration agreement or other
3 agreement.

4 *b.* "Foreign law" means any law enacted by a jurisdiction
5 or a governmental or quasi-governmental body other than the
6 federal government or a state of the United States. "Foreign
7 law" includes a religious law, legal code, accord, or ruling
8 promulgated or made by an international organization, tribunal,
9 or formal or informal administrative body.

10 4. *Implementation and effect.*

11 *a.* Any foreign law or other law that is in conflict with the
12 principles of the Declaration of Independence, the Constitution
13 of the United States, or the Constitution of the State of Iowa
14 shall not have force or effect in this state.

15 *b.* The general assembly shall enact laws necessary for the
16 implementation of this section.

17 *c.* This section takes precedence over any other law relating
18 to the sovereignty and rights of the citizens of this state.

19 5. *Jurisdiction.*

20 *a.* A court of this state shall not relinquish jurisdiction
21 over a sovereign citizen of this state in any proceeding that
22 would be in conflict with the requirements and intent of this
23 section.

24 *b.* It is the public policy of this state that the only
25 factor that a court, administrative agency, arbitrator,
26 mediator, or other person acting under authority of this
27 state's laws shall consider in granting comity to a decision
28 rendered under a foreign law that affects a sovereign citizen
29 of this state is whether the decision violates the sovereign
30 citizen's rights under the Constitution of the United States or
31 the Constitution of the State of Iowa.

32 6. *Contracts.*

33 *a.* If a contract provides for the choice of a foreign law
34 to govern the enforcement or interpretation of the contract or
35 the resolution of any claim or dispute involving the contract

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1 and a sovereign citizen of this state, and if the choice of a
2 foreign law either results or would result in a violation of
3 the sovereign citizen's rights under the Constitution of the
4 United States or the Constitution of the State of Iowa, it is
5 the public policy of this state that the only factor considered
6 in interpreting, enforcing, or applying the contract shall be
7 the preservation of the sovereign citizen's rights under the
8 Constitution of the United States or the Constitution of the
9 State of Iowa.

10 **b.** If a sovereign citizen of this state who is subject
11 to personal jurisdiction in this state pursues litigation,
12 arbitration, agency action, or other similar binding proceeding
13 in this state and a court in this state finds that the court
14 granting a claim of forum non conveniens or other claim
15 that the convenience of the parties and ends of justice
16 would be better served if the proceeding is heard in another
17 jurisdiction, or if the court finds that granting the claim
18 would result in a violation of the constitutional rights of the
19 sovereign citizen of this state in the foreign forum, it is the
20 public policy of this state that the claim be denied.

21 **c.** This subsection shall not be interpreted as a limitation
22 on the right of a sovereign citizen of this state to
23 voluntarily reject or otherwise limit the sovereign citizen's
24 constitutional rights in a contract or to make a specific
25 waiver of such right consistent with constitutional principles.
26 However, the language of such contract or waiver shall be
27 strictly construed in favor of preserving the sovereign
28 citizen's constitutional rights.

29 **7. Compliance.**

30 **a.** A judge in this state shall not issue orders to levy or
31 execute on the property of a sovereign citizen of this state
32 to collect any amount assessed against the sovereign citizen
33 for failure to comply with a foreign law that violates the
34 sovereign citizen's rights under the Constitution of the United
35 States or the Constitution of the State of Iowa. A person

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1 who violates this subsection is subject to any disciplinary
2 sanction available to the state bar, including but not limited
3 to suspension or disbarment.

4 *b.* A federal judge in this state who exercises jurisdiction
5 over a sovereign citizen of this state in a case involving
6 foreign law which results in violation of the sovereign
7 citizen's rights and privileges under the Constitution of the
8 United States or the Constitution of the State of Iowa is
9 subject to sua sponte and sovereign citizen-initiated grievance
10 proceedings before the state bar for doing so. If the exercise
11 of jurisdiction is determined to have resulted in violation of
12 the sovereign citizen's rights and privileges, the judge is
13 subject to any disciplinary sanction available to the state
14 bar, including but not limited to suspension or disbarment.

15 *c.* A federal official in this state or a state official
16 shall not issue orders to levy or execute on the property of a
17 sovereign citizen of this state to collect any amount assessed
18 against the sovereign citizen for failure to comply with a
19 foreign law that violates the sovereign citizen's rights under
20 the Constitution of the United States or the Constitution of
21 the State of Iowa.

22 *d.* A bank, credit union, trustee, investment broker, or
23 depository in this state is not authorized to pay over any
24 sums claimed to be due under an order or writ of attachment
25 or garnishment if the order or writ is for the purpose of
26 collecting any amounts assessed against a sovereign citizen
27 for failure to comply with a foreign law that violates the
28 sovereign citizen's rights under the Constitution of the United
29 States or the Constitution of the State of Iowa.

30 *e.* (1) An official, agent, or employee of a state or
31 federal government or an employee of a corporation providing
32 services to state or federal government in this state who
33 enforces or attempts to enforce a foreign law in violation of
34 this section commits a class "D" felony.

35 (2) A party aggrieved by a violation of this section as

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1 described in this paragraph "e" shall have a private right of
2 action against the person who committed the violation.
3 8. *Applicability.* The public policies expressed in this
4 section are applicable only to an actual or foreseeable
5 violation of a sovereign citizen's rights under the
6 Constitution of the United States or the Constitution of the
7 State of Iowa resulting from compliance with or enforcement of
8 a foreign law.

9 EXPLANATION

10 This bill establishes an Iowa freedom and sovereignty Act
11 in new Code section 1.19. The bill restricts enforcement of
12 provisions based on foreign law, as defined by the bill, that
13 would violate the rights and privileges under the Constitution
14 of the United States or the Constitution of the State of Iowa
15 of a sovereign citizen of this state. The bill establishes
16 that sovereignty is vested in citizens individually and not
17 collectively.

18 New Code section 1.19 is organized into subsections
19 establishing the "Iowa Freedom and Sovereignty Act" as the
20 short title for the legislation. "Foreign law" is defined
21 to mean any law enacted by a jurisdiction or a governmental
22 or quasi-governmental body other than the federal government
23 or a state of the United States. "Foreign law" includes a
24 religious law, legal code, accord, or ruling promulgated by an
25 international organization, tribunal, or formal or informal
26 administrative body.

27 The bill lists legislative findings concerning the meaning
28 and effect of the Declaration of Independence, the Constitution
29 of the United States, and the Constitution of the State of
30 Iowa; defines terms; describes the implementation and effect
31 of the bill; protects the jurisdiction of the courts of
32 this state; addresses how the provisions of the bill affect
33 contracts; addresses judicial compliance by authorizing the
34 state bar to apply sanctions to judges; prohibits financial
35 institutions from paying on an order of attachment or

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1 garnishment if in conflict with the bill; and prohibits federal
2 and state officials from enforcing or attempting to enforce
3 a foreign law in violation of the bill, applying criminal
4 penalties and a private right of action against federal and
5 state officials for violating the bill's prohibitions. If an
6 official, agent, or employee of a state or federal government
7 or an employee of a corporation providing services to a state
8 or federal government enforces or attempts to enforce a foreign
9 law in violation of the bill, the penalty is a class "D"
10 felony, which is punishable by confinement for no more than
11 five years and a fine of at least \$750 but not more than \$7,500.
12 The bill provides that the public policies expressed are
13 applicable only to an actual or foreseeable violation of a
14 sovereign citizen's constitutional rights resulting from
15 compliance with or enforcement of a foreign law.



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Senate File 2199 - Introduced

SENATE FILE 2199

BY HATCH, HANCOCK, DANIELSON,
DOTZLER, DVORSKY, BOLKCOM,
QUIRMBACH, RAGAN, WILHELM,
BEALL, KIBBIE, GRONSTAL,
SODDERS, FRAISE, and
DEARDEN

A BILL FOR

1 An Act relating to approval, notification, and reporting of
2 political activities by certain corporations and other
3 entities.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SUBCHAPTER VIII

1
2 Section 1. NEW SECTION. 68A.801 Short title — declaration
3 of policy.

4 1. This subchapter shall be known and may be cited as the
5 "*Corporate Political Accountability Act*".

6 2. The general assembly finds and declares as follows:

7 a. Although corporations cannot vote, corporations make
8 significant political contributions and expenditures that
9 directly or indirectly influence the election of candidates and
10 support or oppose political causes at the federal, state, and
11 local levels. Decisions to use corporate treasury funds for
12 political contributions and expenditures are currently made by
13 corporate boards and executives, often without the knowledge or
14 consent of shareholders.

15 b. Corporations acting through their boards and executives
16 have a fiduciary duty to conduct business in the best interests
17 of the shareholders. Corporate boards and executives that use
18 corporate funds to support and oppose political candidates,
19 political parties, and political causes in opposition to the
20 interests of many or all of their shareholders may not be
21 acting in the best interests of the shareholders.

22 c. Historically, shareholders of corporations in the United
23 States have not had a way to know of, or to influence, the
24 political activities of corporations they own. Shareholders
25 and the public have a right to know how these corporations
26 are spending their funds to make political contributions or
27 expenditures benefiting candidates, political parties, and
28 political causes.

29 d. Corporations should be accountable to their shareholders
30 prior to making political contributions or expenditures
31 affecting federal, state, and local governance and public
32 policy. Requiring the express approval of a corporation's
33 shareholders prior to making political contributions or
34 expenditures and requiring reporting to shareholders of such
35 expenditures will help establish accountability.

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1 Sec. 2. NEW SECTION. **68A.802 Definitions.**

2 For purposes of this subchapter unless the context otherwise
3 requires:

4 1. *"Contribution"* or *"expenditure"* includes any
5 contributions and expenditures not deductible under section
6 162(e)(1)(B) of the Internal Revenue Code including but not
7 limited to contributions to or expenditures on behalf of
8 political candidates, political parties, political committees,
9 and other political entities organized and operating under
10 section 527 of the Internal Revenue Code, and any portion of
11 any dues or similar payments made to any organization exempt
12 from taxation under section 501(a) of the Internal Revenue
13 Code that is used for an expenditure or contribution and if
14 made directly by the corporation would not be deductible
15 under section 162(e)(1)(B) of the Internal Revenue Code, any
16 contribution or expenditure, as those terms are defined in
17 section 302 of the Federal Election Campaign Act of 1971, as
18 codified at 2 U.S.C. § 431, as well as any contribution defined
19 in section 68A.102. The term also includes any direct or
20 indirect payment, distribution, loan, advance, deposit or gift
21 of money, or any services, or anything of value, except a loan
22 of money by a national or state bank made in accordance with
23 the applicable banking laws and regulations and in the ordinary
24 course of business, to any candidate, campaign committee,
25 or political party or organization in connection with any
26 election to any office. *"Contribution"* or *"expenditure"* does
27 not include:

28 a. Communications by a corporation to its shareholders and
29 executive or administrative personnel and their families or by
30 a labor organization to its members and their families on any
31 subject.

32 b. Nonpartisan registration and get-out-the-vote campaigns
33 by a corporation aimed at its shareholders and executive or
34 administrative personnel and their families or by a labor
35 organization aimed at its members and their families.

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1 *c.* The establishment and administration of a separate
2 segregated fund and the solicitation of contributions to such
3 separate segregated fund to be utilized for political purposes
4 by a corporation, labor organization, membership organization,
5 cooperative, or corporation without capital stock.

6 2. "*Corporation*" means any corporation formed under the
7 laws of this state or a foreign corporation if section 68A.808
8 applies.

9 3. "*General treasury funds*" means funds in possession of a
10 corporation in the normal course of business, including funds
11 from sales, accounts payable, loans, investments, bonds or debt
12 instruments.

13 4. "*Internal Revenue Code*" means the same as defined in
14 section 422.3.

15 5. "*Issue advocacy campaign*" means contributions or
16 expenditures for any communication to the general public
17 intended to encourage the public to contact a government
18 official regarding pending legislation, public policy, or a
19 government rule or regulation. The term does not include
20 contributions or expenditures for registered lobbyists or other
21 persons employed by the corporation to lobby directly federal
22 or state government officials.

23 6. "*Known at the time of the authorization vote*" means at
24 the time the corporation seeks authorization from shareholders
25 to spend corporate funds for political activities, all of the
26 following have occurred:

27 *a.* The corporation's officers, directors, or employees have
28 identified a specific political activity for the corporation to
29 support or oppose.

30 *b.* Corporate officers, directors, or employees have taken
31 steps to obligate funds to a political activity.

32 *c.* The corporation has a regularly scheduled payment to
33 a trade association or other entity to pay for a political
34 activity in the next twelve months.

35 7. "*Majority of shareholders*" means fifty percent plus one

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1 of all outstanding voting securities. Shareholders not casting
2 votes shall not count toward affirmative authorization under
3 this subchapter.

4 8. *"Political activities"* means any contributions or
5 expenditures made directly or indirectly to, or in support of
6 or opposition to, any candidate, political party, committee,
7 electioneering communication, ballot measure campaign, or an
8 issue advocacy campaign.

9 9. *"Separate segregated fund"* means a fund established
10 by a corporation for the purpose of soliciting contributions
11 to the fund for the purpose of funding political activities
12 by the corporation. A separate segregated fund that makes
13 expenditures in federal elections shall have the same meaning
14 and limitations as that found in 2 U.S.C. § 441b.

15 10. *"Shareholders"* means:

16 a. In the case of a foreign corporation described in section
17 68A.808, all shareholders of the corporation residing in the
18 state.

19 b. In the case of a corporation incorporated in this state,
20 all shareholders of the corporation.

21 Sec. 3. NEW SECTION. 68A.803 Corporate political activity
22 — notification to shareholders and public report required.

23 1. *Shareholder vote on corporate political activities.*

24 a. Annual vote.

25 (1) Any corporation that spends in the aggregate ten
26 thousand dollars or more of corporate treasury funds on
27 political activities must comply with the requirements of this
28 section.

29 (2) Any proxy or consent or authorization for an annual
30 meeting of the shareholders of a corporation, or a special
31 meeting in lieu of such meeting, where proxies are solicited
32 in respect of any security occurring on or after six months
33 following the date on which rules are made effective under
34 paragraph "e" shall provide for a separate resolution subject
35 to shareholder vote to approve any spending of ten thousand

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1 dollars or more by the corporation for any political activity.

2 (3) Notwithstanding the requirement for an annual
3 shareholder vote to authorize any spending of ten thousand
4 dollars or more by the corporation for any political
5 activity, a corporation may request authorization for spending
6 on political activities on a more frequent basis. Any
7 authorization request by the corporation that is not made
8 during an annual authorization shall be deemed a special
9 authorization and must be authorized by a majority of the
10 shareholders voting on the question of authorization.

11 (4) If a corporation spends less than an aggregate of
12 ten thousand dollars in a twelve-month period for political
13 activities, the corporation is not required to seek shareholder
14 authorization for such spending.

15 b. Shareholder approval.

16 (1) When seeking shareholder authorization for expenditures
17 for political activities, the corporation shall request
18 authorization to spend a maximum dollar amount in the twelve
19 months following authorization.

20 (2) If known at the time of the authorization vote, the
21 company shall articulate whether the corporate treasury funds
22 so authorized are intended to benefit or defeat specific
23 candidates, ballot measures, or issue advocacy campaigns or
24 whether it will be paid to specific nonprofit entities or trade
25 associations for political activities.

26 (3) To be effective, the authorization vote must garner
27 support from a majority of shareholders voting on the
28 authorization. A vote by the shareholders to approve or
29 disapprove any spending of ten thousand dollars or more by a
30 corporation for a political activity shall be binding on the
31 corporation.

32 (4) Notwithstanding the requirement for an annual
33 shareholder vote to authorize any spending of ten thousand
34 dollars or more by the corporation for any political activity,
35 a corporation may request a special authorization for

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1 additional spending on political activities, provided that
2 all spending on political activities of ten thousand dollars
3 or more must be authorized by a majority of the shareholders
4 voting, and for any special authorization, the corporation
5 shall articulate whether the corporate treasury funds so
6 authorized are intended to benefit or defeat candidates,
7 ballot measures, or issue advocacy campaigns or will be paid
8 to specific nonprofits or trade associations for political
9 activities at the time the special authorization is requested.

10 *c. Director liability.* If a corporation makes an
11 unauthorized contribution or expenditure for a political
12 activity, the directors at the time that the unauthorized
13 contribution or expenditure was incurred are jointly and
14 severally liable to repay to the corporation the amount of the
15 unauthorized contribution or expenditure, with interest at an
16 annual rate of eight per cent.

17 *d. Sole proprietorships excluded.* Notwithstanding any other
18 provision of this section, nothing in this section shall apply
19 a new duty to the owner of a sole proprietorship.

20 *e. Rules.* The board shall adopt rules to implement this
21 section.

22 *2. Notification to shareholders — report.*

23 *a.* At least quarterly during each fiscal year, a corporation
24 that makes contributions or expenditures for political
25 activities must notify its shareholders in writing of the
26 nature of all its political activities funded by either its
27 separate segregated fund or through its general corporate
28 treasury, including contributions or expenditures made directly
29 or indirectly.

30 *b.* A report made pursuant to this section shall accompany
31 the notification and shall include all of the following:

32 (1) The date of the contributions or expenditures.

33 (2) The amount of the contributions or expenditures.

34 (3) The identity of the candidate, political party,
35 committee, electioneering communication, ballot measure

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1 campaign, or issue advocacy campaign.

2 (4) If the contributions or expenditures were made
3 for or against a candidate, including an electioneering
4 communication as defined under federal law, the office sought
5 by the candidate, and the political party affiliation of the
6 candidate.

7 (5) If the contributions or expenditures were made for
8 or against a ballot measure, the purpose of the measure and
9 whether the contributions or expenditures were made in support
10 or opposition to the ballot measure.

11 (6) If the contributions or expenditures were made for or
12 against an issue advocacy campaign, the nature of the political
13 issue and whether the contributions were made in support or
14 opposition to the political issue.

15 (7) All expenditures made by a separate segregated fund
16 affiliated with the corporation.

17 3. *Public disclosure.*

18 a. The quarterly reports of political activities by a
19 corporation to its shareholders are public records open for
20 public inspection.

21 b. A copy of the reports filed shall be posted for at least
22 one year on the corporation's internet site, if any.

23 Sec. 4. NEW SECTION. 68A.804 Public disclosure of corporate
24 political activities by the board.

25 1. A corporation required to provide a notification and
26 report to its shareholders under section 68A.803 must provide a
27 copy of the notification and report to the board, subject to
28 the requirements and penalties provided in this chapter.

29 2. A notification and report required to be filed under this
30 section shall be filed in electronic format as prescribed by
31 the board.

32 3. a. The quarterly reports of political activities by
33 a corporation to its shareholders shall be made publicly
34 available by the board.

35 b. The board shall post the quarterly reports on the board's

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1 internet site in a format that permits the reports to be
2 searched, sorted, and downloaded.

3 Sec. 5. NEW SECTION. **68A.805 Reports by the board.**

4 1. Annually the board shall audit the extent of compliance
5 or noncompliance with the requirements of this subchapter by
6 corporations, their management, and shareholders, as well as
7 the effectiveness of the board in monitoring and enforcing
8 compliance with the reporting and disclosure requirements of
9 this subchapter.

10 2. Not later than June 30 of each year, the board shall
11 submit to the governor and the general assembly a report on the
12 review required by subsection 1 for the preceding year.

13 Sec. 6. NEW SECTION. **68A.806 Approval for corporate and
14 association political expenditures.**

15 Notwithstanding any provision of the law to the contrary, a
16 trade, business, or professional association or a corporation
17 that has received shareholder authorization under section
18 68A.803, subsection 1, may make any contribution or expenditure
19 only when specifically authorized to do so as follows:

20 1. By the vote of the board of directors of the corporation
21 or of the executive committee of the trade, business, or
22 professional association.

23 2. By the president, vice president, secretary, or
24 treasurer of a corporation if the board has specifically
25 empowered such officer to authorize such contributions or
26 expenditures.

27 3. For a corporation, by any other person designated by
28 resolution of the board of directors of a corporation to
29 authorize contributions or expenditures.

30 Sec. 7. NEW SECTION. **68A.807 Form of contribution or
31 expenditure.**

32 All contributions or expenditures, other than in-kind
33 contributions, by a corporation or a trade, business, or
34 professional association shall be made by check.

35 Sec. 8. NEW SECTION. **68A.808 Applicability to foreign**

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1 **corporations.**

2 1. A foreign corporation, other than a foreign association
3 or foreign nonprofit corporation, but including a foreign
4 parent corporation even though it does not itself transact
5 intrastate business, is subject to the requirements of this
6 subchapter if both of the following apply:

7 a. The foreign corporation derives more than one-half of its
8 income from real, tangible, or intangible property located or
9 having a situs in Iowa.

10 b. More than one-half of its outstanding voting securities
11 are held of record by persons having addresses in this state
12 appearing on the books of the corporation on the record date
13 for the latest meeting of shareholders held during its latest
14 full income tax year or, if no meeting was held during that
15 year, on the last day of the latest full income tax year.

16 2. This section does not apply to any corporation:

17 a. With outstanding securities listed on the New York stock
18 exchange or the American stock exchange.

19 b. With outstanding securities designated as qualified
20 for trading on the NASDAQ national market of the NASDAQ stock
21 market, or its successor.

22 c. If all of its voting shares, other than directors'
23 qualifying shares, are owned directly or indirectly by a
24 corporation or corporations not subject to this section.

25 **Sec. 9. NEW SECTION. 68A.809 Assessment of court costs and**
26 **attorney fees.**

27 Any party who obtains a decision by a court that the
28 corporation failed to provide to the party information
29 required to be provided by this subchapter or provided the
30 party information of the kind required to be provided by this
31 subchapter that is incorrect, the court, in its discretion,
32 shall have the power to include in its judgment recovery by the
33 party from the corporation of all court costs and reasonable
34 attorney fees incurred in that legal proceeding to the extent
35 they relate to obtaining that final determination.

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EXPLANATION

1
2 This bill requires a shareholder vote and majority approval
3 of shareholders on certain corporate political activities. The
4 requirement applies to a corporation incorporated under the
5 laws of Iowa, or certain foreign corporations, that plan to
6 spend \$10,000 or more of corporate general treasury funds or
7 funds from a segregated account on political activities.
8 If a corporation makes an unauthorized contribution or
9 expenditure, the directors are jointly and severally liable
10 to repay to the corporation the amount of the contribution or
11 expenditure and interest at the rate of 8 percent.
12 The bill requires a corporation to notify its shareholders
13 and the ethics and campaign disclosure board of all its
14 political activities at least quarterly during each fiscal
15 year. The report requires a variety of information, including
16 the date of the contributions or expenditures; the amount
17 of the contributions or expenditures; and the identity of
18 the candidate, political party, committee, electioneering
19 communication, ballot measure campaign, or issue advocacy
20 campaign. These reports are public information and must be
21 published by the board, and the corporation if applicable, on
22 its internet site.
23 The bill requires the board to annually audit the extent of
24 compliance or noncompliance with the requirements of the bill
25 by corporations, their management, and shareholders, as well
26 as the effectiveness of the board in monitoring and enforcing
27 compliance with the reporting and disclosure requirements.
28 The bill provides that a corporation authorized by its
29 shareholders or a trade, business, or professional association
30 may make a campaign contribution or expenditure only when
31 specifically authorized to do so by certain specified officials
32 of the corporation or association.
33 The bill requires that all contributions or expenditures by
34 a corporation or a trade, business, or professional association
35 be made by check, other than in-kind contributions.

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1 The bill imposes these same restrictions on some foreign
2 corporations if the foreign corporation derives more than
3 one-half of its income from real, tangible, or intangible
4 property located or having a situs in Iowa and more than
5 one-half of its outstanding voting securities are held of
6 record by persons having addresses in Iowa.

7 The bill provides that a party who obtains a decision by
8 a court that the corporation failed to provide to the party
9 information required to be provided by the bill may be awarded
10 court costs and reasonable attorney fees.

11 As provided in Code section 68A.701, a willful violation of
12 any provision of the campaign finance Code chapter is a serious
13 misdemeanor punishable by confinement for up to one year and
14 a fine of at least \$315 but not more than \$1,875. A variety
15 of civil remedies are also available in Code section 68B.32D
16 for a violation of Code chapter 68A or rules of the ethics and
17 campaign disclosure board, ranging from a reprimand to a civil
18 penalty of not more than \$2,000.



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Senate File 2200 - Introduced

SENATE FILE 2200
BY SORENSON

A BILL FOR

1 An Act prohibiting the use of automated traffic law enforcement
2 systems by local authorities and providing a monetary
3 penalty for noncompliance.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5856XS (4) 84
dea/nh



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1 Section 1. **NEW SECTION. 321.5A Automated traffic law**
2 **enforcement systems prohibited.**

3 1. A local authority shall not place or cause to be placed
4 on or adjacent to a street or highway, or maintain or employ
5 the use of, an automated traffic law enforcement system for
6 the enforcement of any provision of this chapter or any local
7 ordinance relating to vehicular traffic or to prove a violation
8 of any such provision or ordinance.

9 2. Subsection 1 does not apply upon the governor's
10 declaration that a state of emergency exists and for as long
11 as the state of emergency remains in effect, provided that a
12 citation or notice of a civil fine issued for a violation of a
13 traffic control signal or device or for a speeding violation
14 shall be served by a peace officer within one hour of the
15 occurrence of the violation.

16 3. For purposes of this section, "*automated traffic law*
17 *enforcement system*" means a device that is not operated in the
18 presence of a peace officer and which has one or more sensors
19 working in conjunction with a traffic control signal or device
20 or a speed-measuring device to produce recorded images of
21 vehicles being operated in violation of traffic or speed laws.

22 Sec. 2. **TERMINATION OF AUTOMATED TRAFFIC LAW ENFORCEMENT**
23 **PROGRAMS — REMOVAL OF SYSTEMS — VALIDITY OF PRIOR NOTICES AND**
24 **CITATIONS.**

25 1. A local authority using an automated traffic law
26 enforcement system shall discontinue using the system on or
27 before the effective date of this Act. A local authority shall
28 remove all automated traffic law enforcement system equipment
29 from the highways on or before July 1, 2012.

30 2. As of the effective date of this Act, all local
31 ordinances authorizing the use of an automated traffic law
32 enforcement system are void, and all citations or notices of
33 civil fines issued pursuant to such an ordinance prior to the
34 effective date of this Act are invalidated.

35 3. A local authority, not later than ninety days after the

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1 effective date of this Act, shall calculate the total amount
2 collected from civil penalties for traffic violations detected
3 by automated traffic law enforcement systems used prior to the
4 effective date of this Act, subtract any amount paid or owing
5 to a third party to satisfy contractual obligations relating
6 to the use of automated traffic law enforcement systems, and
7 refund the remaining amount on a prorated basis to each person
8 who paid a civil penalty under the local authority's automated
9 traffic law enforcement program.

10 4. If a local authority is found to be operating an
11 automated traffic law enforcement system on or after the
12 effective date of this Act, the treasurer of state shall
13 withhold funds to be allocated to the city from the road use
14 tax fund pursuant to chapter 312 in the amount equal to ten
15 times the amount of the civil penalties collected on or after
16 the effective date of this Act for violations detected by the
17 automated traffic law enforcement system. The moneys withheld
18 by the treasurer of state pursuant to this subsection shall
19 revert to the street construction fund of the cities.

20 Sec. 3. IMPLEMENTATION OF ACT. Section 25B.2, subsection
21 3, shall not apply to this Act.

22 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
23 immediate importance, takes effect upon enactment.

24 EXPLANATION

25 This bill prohibits the use of automated traffic law
26 enforcement systems in Iowa, except during a state of emergency
27 declared by the governor and subject to issuance of citations
28 by a peace officer within a specified time.

29 Automated traffic law enforcement systems, commonly known as
30 "red light cameras" or "speed cameras", are devices that are
31 not operated in the presence of a peace officer and which have
32 one or more sensors which work in conjunction with a traffic
33 control signal or device or a speed-measuring device to produce
34 recorded images of vehicles being operated in violation of
35 traffic or speed laws.

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1 The bill requires that a local authority currently using
2 an automated traffic law enforcement system shall discontinue
3 using the system on or before the effective date of the bill.
4 All automated traffic law enforcement system equipment must be
5 removed from the highways by July 1, 2012.

6 A local authority's ordinance authorizing the use of
7 automated traffic law enforcement systems is void on the
8 effective date of the bill, and all notices of fines or
9 citations issued under the ordinance are invalidated. The bill
10 requires a local authority to issue refunds within 90 days of
11 the effective date of the bill to every person who paid a civil
12 penalty under an automated traffic law enforcement program.
13 The refunds shall be prorated, based on the total amount that
14 accrued to the city from the use of automated traffic law
15 enforcement systems after satisfying contractual obligations
16 relating to the use of the systems.

17 A local authority that uses an automated traffic law
18 enforcement system on or after the effective date of the bill
19 is subject to the withholding of the city's allocation from the
20 road use tax fund in the amount equal to 10 times the amount of
21 civil penalties collected in violation of the bill.

22 The bill may include a state mandate as defined in Code
23 section 25B.3. The bill makes inapplicable Code section 25B.2,
24 subsection 3, which would relieve a political subdivision from
25 complying with a state mandate if funding for the cost of
26 the state mandate is not provided or specified. Therefore,
27 political subdivisions are required to comply with any state
28 mandate included in the bill.

29 The bill is effective upon enactment.



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Senate File 2201 - Introduced

SENATE FILE 2201
BY SORENSON

A BILL FOR

1 An Act relating to the use of a full-body scanner at an airport
2 and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5747XS (4) 84
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1 Section 1. Section 328.1, subsection 1, Code 2011, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. *Og.* "Full-body scanner" means a device that
4 uses backscatter X rays or millimeter waves to create a visual
5 image of a person's unclothed body for the purpose of detecting
6 a concealed object.

7 Sec. 2. Section 328.1, subsection 1, paragraph r, Code 2011,
8 is amended to read as follows:

9 *r.* "Governmental subdivision" means any county or city
10 of this state, and any other political subdivision, public
11 corporation, authority, or district in this state which is or
12 may be authorized by law to acquire, establish, construct,
13 maintain, improve, and operate landing areas ~~and~~, airports, or
14 other air navigation facilities.

15 Sec. 3. NEW SECTION. 328.56B Full-body scanner —
16 prohibition.

17 1. A governmental subdivision shall prohibit the
18 installation or operation of a full-body scanner at an
19 airport operated, controlled, or otherwise regulated by the
20 governmental subdivision.

21 2. A governmental subdivision that violates subsection 1
22 shall pay a civil penalty not to exceed one thousand dollars
23 per day for each day the governmental subdivision is in
24 violation of subsection 1.

25 3. *a.* The attorney general may bring an enforcement action
26 in district court for a violation of this section and seek
27 remedies provided for in subsection 2.

28 *b.* The attorney general may, in lieu of the remedy provided
29 in paragraph "a", apply to the district court for injunctive
30 relief in order to restrain a governmental subdivision from
31 acting in violation of this section. In order to obtain
32 injunctive relief, the attorney general shall not be required
33 to post a bond or prove the absence of an adequate remedy at law
34 unless the court for good cause otherwise orders. The court
35 may order any form of prohibitory or mandatory relief that

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1 is appropriate under principles of equity, including but not
2 limited to issuing a temporary or permanent restraining order.

3 4. If the attorney general successfully brings an
4 enforcement action under paragraph 3, the attorney general
5 shall be awarded reasonable attorney fees and any costs shall
6 be assessed against the governmental subdivision.

7 5. Any amounts collected through the enforcement of this
8 section shall be deposited into the general fund of the state.

9 EXPLANATION

10 This bill relates to the use of a full-body scanner at an
11 airport.

12 The bill requires a governmental subdivision as defined in
13 Code section 328.1 to prohibit the installation or operation
14 of a full-body scanner at an airport under the governmental
15 subdivision's operation, control, or regulation.

16 The bill defines "full-body scanner" to mean a device that
17 uses backscatter X rays or millimeter waves to create a visual
18 image of a person's unclothed body for the purpose of detecting
19 a concealed object.

20 Under the bill, a governmental subdivision that violates the
21 bill shall pay a civil penalty not to exceed \$1,000 per day for
22 each day the governmental subdivision is in violation of the
23 bill.

24 The attorney general may, in lieu of seeking a monetary
25 penalty, apply to the district court for injunctive relief in
26 order to restrain a governmental subdivision from acting in
27 violation of the bill.

28 If the attorney general successfully brings an enforcement
29 action, the bill requires the attorney general to be awarded
30 reasonable attorney fees and provides that any costs be
31 assessed against the governmental subdivision.

32 The bill provides that any amounts collected through the
33 enforcement of the bill shall be deposited into the general
34 fund of the state.



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Senate File 2202 - Introduced

SENATE FILE 2202
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3125)

A BILL FOR

1 An Act relating to matters under the purview of the banking
2 division of the department of commerce, and including
3 effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

MUTUAL OWNERSHIP FOR STATE-CHARTERED BANKS AND STATE HOLDING
COMPANIES TO FACILITATE CONVERSIONS BY FEDERALLY CHARTERED
SAVINGS ASSOCIATIONS

Section 1. Section 524.103, subsections 27 and 28, Code 2011, are amended to read as follows:

27. "Member" means a person with a membership interest in a state bank organized as a limited liability company or incorporated as a mutual corporation under this chapter.

28. "Membership interest" means a member's share of the profits and losses, the right to receive distributions of assets, and any right to vote or participate in management of a state bank organized as a limited liability company under this chapter or of a state bank incorporated as a mutual corporation under this chapter.

Sec. 2. Section 524.103, Code 2011, is amended by adding the following new subsections:

NEW SUBSECTION. 27A. "Member vote" means one vote for each one hundred dollars, or fraction thereof, of the withdrawal value of a member's account with respect to a mutual corporation.

NEW SUBSECTION. 29A. "Mutual bank holding company" means a bank holding company that is a mutual corporation or that owns or controls a mutual corporation.

NEW SUBSECTION. 29B. "Mutual corporation" means a corporation that is incorporated on a mutual ownership basis under this chapter or converted to become subject to this chapter and is not authorized to issue capital stock.

Sec. 3. Section 524.103, subsections 35, 36, and 39, Code 2011, are amended to read as follows:

35. "Shareholder" means one who is a holder of record of shares in a state bank. If a state bank is organized as a limited liability company under this chapter, "shareholder" means ~~any~~ a member of the limited liability company. If a state bank is incorporated as a mutual corporation under

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1 this chapter, "shareholder" means a member of the mutual
2 corporation.

3 36. "*Shares*" means the units into which the proprietary
4 interests in a state bank incorporated as a stock corporation
5 are divided, including any membership interests of a state bank
6 organized as a limited liability company under this chapter.

7 39. "*State bank*" means any bank incorporated pursuant to
8 the provisions of this chapter after January 1, 1970, and any
9 "*state bank*" or "*savings bank*" incorporated pursuant to the laws
10 of this state and doing business as such on January 1, 1970,
11 or a bank organized as a limited liability company or a mutual
12 corporation under this chapter.

13 Sec. 4. Section 524.103, Code 2011, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 39A. "*Stock corporation*" means a
16 corporation which is authorized to issue capital stock.

17 Sec. 5. Section 524.302, subsection 1, paragraph d, Code
18 2011, is amended to read as follows:

19 d. (1) The If the state bank will be a stock corporation,
20 the aggregate number of common and preferred shares which the
21 state bank shall have authority to issue and the par value of
22 such shares. If such shares are to be divided into classes
23 or series, the number of shares of each class or series and
24 a statement of the par value of the shares of each class or
25 series.

26 (2) If the state bank will be a mutual corporation, that the
27 corporation will be a mutual corporation.

28 Sec. 6. NEW SECTION. 524.316 **State banks as mutual**
29 **corporations.**

30 The superintendent may adopt rules to ensure that a state
31 bank incorporated as a mutual corporation is operating in a
32 safe and sound manner and is subject to the superintendent's
33 authority in the same manner as a state bank incorporated as a
34 stock corporation.

35 Sec. 7. Section 524.405, Code 2011, is amended to read as

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1 follows:

2 **524.405 Increase or decrease of capital structure.**

3 1. A state bank incorporated as a stock corporation may
4 increase its capital structure or effect an allocation of
5 amounts within its capital structure, by the use of any of the
6 following methods:

7 a. Sale of authorized but unissued shares.

8 b. Transfer of surplus or undivided profits to capital for
9 authorized but unissued shares.

10 c. Transfer of undivided profits to surplus.

11 d. Authorization and issuance of common shares, preferred
12 shares, or capital notes or debentures.

13 2. The superintendent, whenever it appears necessary to do
14 so in the interest of the safety of the deposits of a state
15 bank incorporated as a stock corporation, may require that the
16 capital structure of the state bank be increased by either of
17 the methods provided for in subsection 1, paragraphs "a" and
18 "d".

19 3. Capital or surplus shall not be decreased except with the
20 approval of the superintendent.

21 4. A state bank incorporated as a mutual corporation
22 may raise capital by accepting payments on savings and
23 demand accounts and by any other means authorized by the
24 superintendent. Whenever it appears necessary to do so in
25 the interest of the safety of the deposits of a state bank
26 incorporated as a mutual corporation, the superintendent
27 may require that the capital structure of the state bank be
28 increased by any means authorized by the superintendent.

29 Sec. 8. Section 524.521, subsections 1 and 2, Code 2011, are
30 amended to read as follows:

31 1. The articles of incorporation of a stock corporation
32 must prescribe the classes of shares and the number of shares
33 of each class that the state bank is authorized to issue. If
34 more than one class of shares is authorized, the articles of
35 incorporation must prescribe a distinguishing designation for

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1 each class. Prior to the issuance of shares of a class, the
2 preferences, limitations, and relative rights of that class
3 must be described in the articles of incorporation. All shares
4 of a class must have preferences, limitations, and relative
5 rights identical with those of other shares of the same class
6 except to the extent otherwise permitted by section 524.523.

7 2. The articles of incorporation of a stock corporation must
8 authorize both of the following:

9 a. One or more classes of shares that together have
10 unlimited voting rights.

11 b. One or more classes of shares, which may be the same
12 class or classes as those with voting rights, that together
13 are entitled to receive the net assets of the state bank upon
14 dissolution.

15 Sec. 9. Section 524.523, subsection 1, Code 2011, is amended
16 to read as follows:

17 1. The shares of a state bank incorporated as a stock
18 corporation shall be represented by certificates signed by
19 such officers, employees, or agents as are authorized by the
20 articles of incorporation or bylaws to sign. If no contrary
21 provisions are made in the articles of incorporation or bylaws,
22 the certificates shall be signed by the president or a vice
23 president and the cashier or an assistant cashier of the state
24 bank.

25 Sec. 10. Section 524.526, subsection 1, unnumbered
26 paragraph 1, Code 2011, is amended to read as follows:

27 A state bank incorporated as a stock corporation may do any
28 of the following:

29 Sec. 11. Section 524.527, Code 2011, is amended to read as
30 follows:

31 **524.527 Liability of shareholders.**

32 1. A purchaser of the shares of a state bank incorporated as
33 a stock corporation is not liable to the bank, its creditors,
34 or depositors with respect to the shares except to pay the
35 consideration for which the shares were authorized to be issued

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1 under section 524.521, or the consideration specified in the
2 subscription agreement authorized under section 524.525.

3 2. Unless otherwise provided in the articles of
4 incorporation, a shareholder of a state bank is not personally
5 liable for the acts or debts of the state bank, its creditors,
6 or depositors.

7 3. A member of a state bank incorporated as a mutual
8 corporation is not personally liable for the acts or debts of
9 the state bank, its creditors, or depositors.

10 Sec. 12. NEW SECTION. 524.538A Voting by member of mutual
11 corporation.

12 All holders of savings, demand, or other authorized
13 accounts of a bank incorporated as or converted to be a
14 mutual corporation are members of the state bank. In the
15 consideration of all questions requiring action by the members
16 of the state bank, each holder of an account shall be permitted
17 to cast one vote for each one hundred dollars, or fraction
18 thereof, of the withdrawal value of the member's account. No
19 member, however, shall cast more than one thousand member
20 votes. All accounts shall be nonassessable.

21 Sec. 13. Section 524.545, Code 2011, is amended to read as
22 follows:

23 **524.545 Options for shares.**

24 A state bank incorporated as a stock corporation may
25 authorize the granting of options to officers and employees to
26 purchase unissued shares of the state bank in accordance with a
27 plan approved by the superintendent.

28 Sec. 14. NEW SECTION. 524.1421 Mutual to stock conversions.

29 1. A mutual corporation, a mutual holding company, a
30 federal mutual association, or a federal mutual holding
31 company, subject to the provisions of this chapter, may convert
32 into a stock corporation that is either a state bank or a
33 state bank mutual bank holding company upon approval of the
34 superintendent.

35 2. A mutual corporation, a mutual holding company, a federal

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1 mutual association, or a federal mutual holding company shall
2 make an application to the superintendent for approval of
3 the conversion in a manner prescribed by the superintendent
4 and shall deliver to the superintendent, when available, the
5 following:

6 *a.* Articles of conversion.

7 *b.* A business plan addressing factors prescribed by the
8 superintendent.

9 *c.* Proof of publication of the notice required by section
10 524.1422.

11 *d.* The applicable fee payable to the secretary of state,
12 under section 490.122, for the filing and recording of the
13 articles of conversion.

14 3. The superintendent may adopt rules governing mutual to
15 stock conversions.

16 Sec. 15. NEW SECTION. 524.1422 Notice of mutual to stock
17 conversion.

18 Within thirty days after an application for conversion has
19 been accepted for processing, the mutual corporation, mutual
20 holding company, federal mutual association, or federal mutual
21 holding company shall publish a notice of the delivery of the
22 articles of conversion to the superintendent in a newspaper of
23 general circulation published in the municipal corporation or
24 unincorporated area in which the mutual corporation, mutual
25 holding company, federal mutual association, or federal mutual
26 holding company has its principal place of business, or if
27 there is none, a newspaper of general circulation published
28 in the county, or in a county adjoining the county, in which
29 the mutual corporation, mutual holding company, federal
30 mutual association, or federal mutual holding company has its
31 principal place of business. The notice shall set forth the
32 information required by the superintendent.

33 Sec. 16. Section 524.1504, subsection 1, paragraphs e and f,
34 Code 2011, are amended to read as follows:

35 *e.* The For a stock corporation, the number of shares



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1 entitled to vote on the amendment, and if the shares of any
2 class are entitled to vote thereon as a class, the number of
3 shares of each class. For a mutual corporation, the number of
4 member votes entitled to be cast.

5 f. The number of shares or member votes voted for and
6 against such amendment, respectively, and if the shares of any
7 class are entitled to vote thereon as a class, the number of
8 shares of each such class voted for and against such amendment.

9 Sec. 17. NEW SECTION. 524.1809 Mutual bank holding
10 companies.

11 1. A state bank may be owned, directly or indirectly, by a
12 mutual bank holding company.

13 2. A mutual holding company authorized pursuant to 12 U.S.C.
14 § 1467a and regulations promulgated thereunder may convert to a
15 mutual bank holding company authorized under this chapter.

16 3. A mutual corporation may reorganize as a mutual holding
17 company in the manner provided in 12 U.S.C. § 1467a(o). The
18 resulting mutual holding company shall be a mutual bank holding
19 company authorized under this chapter.

20 4. A mutual bank holding company authorized under this
21 chapter shall also be subject to chapter 490, the Iowa business
22 corporations Act. If a provision of chapter 490 conflicts with
23 the provisions of this chapter or a rule of the superintendent
24 adopted pursuant to this chapter, the provisions of this
25 chapter or rule of the superintendent shall control.

26 5. The superintendent may adopt rules pursuant to
27 chapter 17A pertaining to mutual bank holding companies and
28 reorganizations into mutual bank holding companies under this
29 chapter.

30 Sec. 18. EFFECTIVE UPON ENACTMENT. This division of this
31 Act, being deemed of immediate importance, takes effect upon
32 enactment.

33 DIVISION II

34 MISCELLANEOUS PROVISIONS

35 Sec. 19. Section 524.226, unnumbered paragraph 4, Code

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1 2011, is amended to read as follows:

2 The superintendent, during the period of the
3 superintendent's management of the property and business of the
4 state bank, ~~and prior to such time as the superintendent may~~
5 ~~apply to the district court for appointment as receiver,~~ may
6 require reimbursement by the state bank to the extent of the
7 expenses incurred by the superintendent in connection with such
8 management.

9 Sec. 20. Section 524.802, subsection 9, Code 2011, is
10 amended to read as follows:

11 9. Acquire and hold shares of stock in the appropriate
12 federal home loan bank and to exercise all powers conferred on
13 member banks of the federal home loan bank system that are not
14 inconsistent with this chapter. A purchase of federal home
15 loan bank shares which causes the state bank's holdings to
16 exceed fifteen percent of aggregate capital requires the prior
17 approval of the superintendent. In addition, a state bank
18 may own federal home loan bank shares in an amount exceeding
19 fifteen percent of the state bank's aggregate capital, but not
20 exceeding twenty-five percent of the state bank's aggregate
21 capital, if the ownership of shares exceeding fifteen percent
22 is needed to support the state bank's participation in the
23 federal home loan bank's acquired member assets program as
24 provided for in 12 C.F.R. pt. 955.

25 Sec. 21. Section 524.1103, Code 2011, is amended to read as
26 follows:

27 **524.1103 Exceptions.**

28 1. The provisions of section 524.1102 shall not apply to any
29 affiliate:

30 ~~1-~~ a. Engaged solely in holding or operating real
31 estate used wholly or substantially by the state bank in its
32 operations or acquired for its future use.

33 ~~2-~~ b. Engaged solely in conducting a safe-deposit business
34 or the business of an agricultural credit corporation eligible
35 to discount loans with a farm credit bank.



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1 ~~3.~~ c. Engaged solely in holding obligations of the United
2 States, the farm credit banks, the federal home loan banks,
3 or obligations fully guaranteed by the United States as to
4 principal and interest.
5 ~~4.~~ d. Where the affiliate relationship has arisen as
6 a result of shares acquired in satisfaction of a bona fide
7 debt contracted prior to the date of the creation of such
8 relationship provided that such shares shall be sold at public
9 or private sale within one year from the date of the creation
10 of the relationship, unless the time is extended by the
11 superintendent.
12 ~~5.~~ e. Where the affiliate relationship exists by reason
13 of the ownership or control of any voting shares thereof by
14 a state bank as executor, administrator, trustee, receiver,
15 agent, depository, or in any other fiduciary capacity, except
16 where such shares are held for the benefit of all or a majority
17 of the shareholders of such state bank.
18 ~~6.~~ f. Which is a bank.
19 ~~7.~~ g. Which is an operations subsidiary or other subsidiary
20 in which the state bank owns or controls eighty percent or more
21 of the voting shares. However, an operations subsidiary shall
22 not conduct any activity at any location where the state bank
23 itself would not be permitted to conduct that activity without
24 the prior approval of the superintendent.
25 2. a. The superintendent may, in the superintendent's
26 discretion, by regulation or order, exempt transactions or
27 relationships from the requirements of section 524.1102 if
28 the superintendent finds such exemptions to be in the public
29 interest and consistent with the purposes of section 524.1102.
30 b. A state bank may request an exemption from the
31 requirements of section 524.1102 by submitting a written
32 request to the superintendent including all of the following:
33 (1) A detailed description of the transaction or
34 relationship for which the state bank seeks an exemption.
35 (2) A statement of the reasons for exemption of the



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1 transaction or relationship.

2 (3) An explanation of how the exemption would be in the
3 public interest and consistent with the purposes of section
4 524.1102.

5 Sec. 22. Section 524.1305, subsection 9, Code 2011, is
6 amended to read as follows:

7 9. If at any time during the course of dissolution
8 proceedings the superintendent finds that the assets of the
9 state bank will not be sufficient to discharge its obligations,
10 the superintendent shall ~~apply to the district court for~~
11 ~~appointment as receiver~~ tender to the federal deposit insurance
12 corporation the receivership in the manner required by section
13 524.1310, and the dissolution shall thereafter be treated as an
14 involuntary dissolution in accordance with the terms of that
15 section and sections 524.1311 and 524.1312.

16 Sec. 23. Section 524.1310, Code 2011, is amended to read as
17 follows:

18 **524.1310 Involuntary dissolution after commencement of**
19 **business — superintendent as receiver.**

20 1. a. In a situation in which the superintendent has
21 required, in accordance with section 524.226, that the state
22 bank cease to carry on its business, the superintendent shall
23 ~~apply to the district court for the county in which the state~~
24 ~~bank is located for appointment as receiver for the state~~
25 ~~bank. The district court shall appoint the superintendent as~~
26 ~~receiver unless the superintendent has tendered the appointment~~
27 ~~to the federal deposit insurance corporation as provided for~~
28 ~~in section 524.1313, in which case the district court shall~~
29 ~~appoint~~ tender to the federal deposit insurance corporation
30 as receiver the receivership for the state bank. The affairs
31 of the state bank shall thereafter be ~~under the direction of~~
32 ~~the district court, and the assets of the state bank shall be~~
33 ~~distributed in accordance with section 524.1312 governed by~~
34 this section, section 524.1311, and the provisions of federal
35 law, and shall be subject to federal court jurisdiction, and

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1 the assets of the state bank shall be distributed in accordance
2 with section 524.1312. If there is a conflict between the
3 provisions of state and federal law, federal law shall govern.
4 b. All amounts due creditors and shareholders described
5 in section 490.1440 shall be deposited with the treasurer of
6 state in accordance with that section. Such amounts shall be
7 retained by the treasurer of state and subject to claim in
8 the manner provided for in section 490.1440. Amounts due to
9 depositors who are unknown, or who are under a disability and
10 there is no person legally competent to receive the amount, or
11 who cannot be found after the exercise of reasonable diligence,
12 shall be transmitted to the treasurer of state in the manner
13 required by section 524.1305, subsection 6. Such property
14 shall be treated as abandoned, retained by the treasurer of
15 state, and is subject to claim, in the manner provided for in
16 sections 556.14 to 556.21. The attorney general, or assistants
17 appointed by the court, shall represent the superintendent in
18 all proceedings connected with the receivership.
19 2. Under the receivership, the rights of depositors and
20 other creditors of the insured state bank shall be determined
21 in accordance with the laws of this state.
22 3. The federal deposit insurance corporation as receiver
23 shall possess all the powers, rights, and privileges provided
24 under section 524.1311, except insofar as that section may be
25 in conflict with the laws of the United States.
26 4. If the federal deposit insurance corporation pays or
27 makes available for payment the insured deposit liabilities
28 of an insured state bank, the federal deposit insurance
29 corporation shall be subrogated by operation of law to all
30 rights against such insured state bank of the owners of
31 such deposits in the same manner and to the same extent as
32 subrogation of the federal deposit insurance corporation
33 is provided for in applicable federal law in the case of a
34 national bank.
35 Sec. 24. Section 524.1311, Code 2011, is amended to read as

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1 follows:

2 **524.1311 Involuntary dissolution after commencement of**
3 **business — receivership procedure.**

4 ~~1. In all situations in which the superintendent has~~
5 ~~been named the receiver as provided in section 524.1310 the~~
6 ~~superintendent shall make~~ Under the receivership, a diligent
7 effort shall be made to collect and realize on the assets of
8 the state bank, and to make distribution of the proceeds from
9 time to time to those entitled thereto. The ~~superintendent~~
10 federal deposit insurance corporation may execute assignments,
11 releases, and satisfactions to effectuate sales and transfers
12 as receiver or after the receivership has terminated. ~~Upon~~
13 ~~the order of the court in which the receivership is pending,~~
14 ~~the superintendent~~ The federal deposit insurance corporation
15 may sell or compound all bad or doubtful debts, and, ~~on a like~~
16 ~~order,~~ may sell all the real and personal property of such
17 state bank, ~~on such terms as the court shall direct.~~

18 ~~2. All expenses of the receivership and dissolution shall~~
19 ~~be fixed by the superintendent, subject to the approval of~~
20 ~~the district court, and shall be paid out of the assets of~~
21 ~~the state bank. After the involuntary dissolution of a state~~
22 ~~bank, the superintendent shall file notice of the dissolution~~
23 ~~with the secretary of state and the county recorder of the~~
24 ~~county in which the state bank is located. No fee shall be~~
25 ~~charged by the secretary of state or the county recorder for~~
26 ~~the filing or recording. The corporate existence of the state~~
27 ~~bank shall cease upon filing of the notice of dissolution with~~
28 ~~the secretary of state.~~

29 ~~3. At the termination of the receivership, the~~
30 ~~superintendent shall file a final report containing the details~~
31 ~~of the superintendent's actions therein, together with such~~
32 ~~additional facts as the court may require.~~

33 ~~4. Upon the submission and approval of the final report, the~~
34 ~~court shall enter a decree dissolving the state bank whereupon~~
35 ~~the corporate existence of the state bank shall cease. It~~

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~~1 shall be the duty of the clerk of such court to cause certified
2 copies of the decree to be filed with and recorded by the
3 secretary of state and the county recorder of the county in
4 which is located the state bank. No fee shall be charged by the
5 secretary of state or said county recorder for the filing or
6 recording thereof.~~

7 Sec. 25. Section 535B.10, subsection 6, Code 2011, is
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. *h.* The administrator may furnish
10 information relating to supervision of closing agent licensees
11 whose activities relate to the issuance of title guaranty
12 certificates issued by the title guaranty division of the
13 Iowa finance authority to the title guaranty division. The
14 title guaranty division may use this information to satisfy
15 its reinsurance requirements and may provide the information
16 to its reinsurer to the extent necessary to satisfy reinsurer
17 requirements provided the reinsurer agrees to maintain the
18 confidentiality of the information. The title guaranty
19 division shall maintain the confidentiality of the information
20 provided pursuant to this paragraph in all other respects.

21 Sec. 26. Section 602.8102, subsection 72, Code 2011, is
22 amended by striking the subsection.

23 Sec. 27. REPEAL. Section 524.1313, Code 2011, is repealed.

24 Sec. 28. EFFECTIVE UPON ENACTMENT. The following
25 provisions of this division of this Act, being deemed of
26 immediate importance, take effect upon enactment:

27 1. The section of this Act amending section 524.226,
28 unnumbered paragraph 4.

29 2. The section of this Act amending section 524.1305,
30 subsection 9.

31 3. The section of this Act amending section 524.1310.

32 4. The section of this Act amending section 524.1311.

33 5. The section of this Act repealing section 524.1313.

34 6. The section of this Act striking section 602.8102,
35 subsection 72.

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1 DIVISION III

2 SAVINGS AND LOAN ASSOCIATIONS

3 Sec. 29. Section 7C.9, Code 2011, is amended to read as
4 follows:

5 **7C.9 Nonbusiness days.**

6 If the expiration date of either the one-hundred-twenty-day
7 period or the thirty-day extension period described in
8 subsection 1 or 2 of section 7C.7 is a Saturday, Sunday, or any
9 day on which the offices of the state, or banking institutions,
10 ~~or savings and loan associations~~ in the state are authorized
11 or required to close, the expiration date is extended to the
12 first day thereafter which is not a Saturday, Sunday, or other
13 previously described day.

14 Sec. 30. Section 12.61, subsection 1, paragraph a, Code
15 2011, is amended to read as follows:

16 *a. "Financial institution"* means a state bank as defined in
17 section 524.103, subsection 39, a federally chartered state
18 bank having its principal office within this state, a federally
19 chartered credit union having its principal office within this
20 state, a federally chartered savings and loan association
21 having its principal office within the state, a credit union
22 organized under chapter 533, ~~an association incorporated or~~
23 ~~authorized to do business under chapter 534,~~ or a trust company
24 organized or incorporated under the laws of this state.

25 Sec. 31. Section 12.71, subsection 5, Code 2011, is amended
26 to read as follows:

27 5. The bonds are securities in which public officers and
28 bodies of this state; political subdivisions of this state;
29 insurance companies and associations and other persons carrying
30 on an insurance business; banks, trust companies, savings
31 associations, ~~savings and loan associations,~~ and investment
32 companies; administrators, guardians, executors, trustees,
33 and other fiduciaries; and other persons authorized to invest
34 in bonds or other obligations of the state, may properly and
35 legally invest funds, including capital, in their control or

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1 belonging to them.

2 Sec. 32. Section 12.81, subsection 5, Code 2011, is amended
3 to read as follows:

4 5. The bonds are securities in which public officers and
5 bodies of this state; political subdivisions of this state;
6 insurance companies and associations and other persons carrying
7 on an insurance business; banks, trust companies, savings
8 associations, ~~savings and loan associations~~, and investment
9 companies; administrators, guardians, executors, trustees,
10 and other fiduciaries; and other persons authorized to invest
11 in bonds or other obligations of the state, may properly and
12 legally invest funds, including capital, in their control or
13 belonging to them.

14 Sec. 33. Section 12.87, subsection 5, Code Supplement 2011,
15 is amended to read as follows:

16 5. The bonds are securities in which public officers and
17 bodies of this state; political subdivisions of this state;
18 insurance companies and associations and other persons carrying
19 on an insurance business; banks, trust companies, savings
20 associations, ~~savings and loan associations~~, and investment
21 companies; administrators, guardians, executors, trustees,
22 and other fiduciaries; and other persons authorized to invest
23 in bonds or other obligations of the state, may properly and
24 legally invest funds, including capital, in their control or
25 belonging to them.

26 Sec. 34. Section 12.91, subsection 6, Code 2011, is amended
27 to read as follows:

28 6. The bonds are securities in which public officers and
29 bodies of this state; political subdivisions of this state;
30 insurance companies and associations and other persons carrying
31 on an insurance business; banks, trust companies, savings
32 associations, ~~savings and loan associations~~, and investment
33 companies; administrators, guardians, executors, trustees,
34 and other fiduciaries; and other persons authorized to invest
35 in bonds or other obligations of the state may properly and

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1 legally invest funds, including capital, in their control or
2 belonging to them.

3 Sec. 35. Section 12A.4, subsection 4, Code 2011, is amended
4 to read as follows:

5 4. Bonds issued under this chapter are investment
6 securities and negotiable instruments within the meaning of
7 and for purposes of the uniform commercial code, chapter
8 554. Bonds are securities in which public officers and
9 bodies of this state; political subdivisions of this state;
10 insurance companies and associations and other persons carrying
11 on an insurance business; banks, trust companies, savings
12 associations, ~~savings and loan associations~~, and investment
13 companies; administrators, guardians, executors, trustees, and
14 other fiduciaries; and other persons authorized to invest in
15 bonds of the state, may properly and legally invest funds,
16 including capital, in their control or belonging to them.

17 Sec. 36. Section 12C.1, subsection 2, Code Supplement 2011,
18 is amended to read as follows:

19 2. As used in this chapter unless the context otherwise
20 requires:

21 a. "*Bank*" means a corporation or limited liability company
22 engaged in the business of banking and organized under the laws
23 of this state, another state, or the United States. "*Bank*" also
24 means a savings and loan, savings association, or savings bank
25 organized under the laws of ~~this state~~, another state, or the
26 United States.

27 b. "*Credit union*" means a cooperative, nonprofit association
28 incorporated under chapter 533 or the federal Credit Union Act,
29 12 U.S.C. § 1751 et seq., and that is insured by the national
30 credit union administration and includes an office of a credit
31 union.

32 c. "*Depository*" means a bank, ~~a savings and loan~~, or a
33 credit union in which public funds are deposited under this
34 chapter.

35 d. "*Financial institution*" means a bank or a credit union.

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1 *e.* "Public funds" and "public deposits" mean any of the
2 following:

3 (1) The moneys of the state or a political subdivision
4 or instrumentality of the state including a county,
5 school corporation, special district, drainage district,
6 unincorporated town or township, municipality, or municipal
7 corporation or any agency, board, or commission of the state
8 or a political subdivision. Moneys of the state include
9 moneys which are transmitted to a depository for purposes of
10 completing an electronic financial transaction pursuant to
11 section 159.35.

12 (2) The moneys of any court or public body noted in
13 subsection 1.

14 (3) The moneys of a legal or administrative entity created
15 pursuant to chapter 28E.

16 (4) The moneys of an electric power agency as defined in
17 section 28F.2 or 390.9.

18 (5) Federal and state grant moneys of a quasi-public
19 state entity that are placed in a depository pursuant to this
20 chapter.

21 (6) Moneys placed in a depository for the purpose of
22 completing an electronic financial transaction pursuant to
23 section 8A.222 or 331.427.

24 *f.* "Public officer" means the person authorized by and
25 acting for a public body to deposit public funds of the public
26 body.

27 ~~*g.* "Savings and loan" means a corporation authorized to~~
28 ~~operate under chapter 534 or the federal Home Owner's Loan Act~~
29 ~~of 1933, 12 U.S.C. § 1461 et seq., and includes a savings and~~
30 ~~loan association, a savings bank, or any branch of a savings~~
31 ~~and loan association or savings bank.~~

32 ~~*h.*~~ *g.* "Superintendent" means the superintendent of
33 banking of this state when the depository is a bank, and
34 the superintendent of credit unions of this state when the
35 depository is a credit union.

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1 ~~i.~~ h. "Uninsured public funds" means any amount of
2 public funds of a public funds depositor on deposit in an
3 account at a financial institution that exceeds the amount of
4 public funds in that account that are insured by the federal
5 deposit insurance corporation or the national credit union
6 administration.

7 Sec. 37. Section 12C.13, Code 2011, is amended to read as
8 follows:

9 **12C.13 Deposit not membership.**

10 Notwithstanding chapter 534 ~~524~~, the deposit of public
11 funds in a credit union as defined in section 533.102 or an
12 ~~association defined in section 534.102 a mutual corporation~~
13 as defined in section 524.103 does not constitute being
14 a shareholder, stockholder, or owner of a corporation in
15 violation of Article VIII of the Constitution of the State of
16 Iowa or any other provision of law.

17 Sec. 38. Section 12C.20, subsections 1 and 4, Code 2011, are
18 amended to read as follows:

19 1. On or before the tenth day of February, May, August,
20 and November of each year, each ~~savings and loan and each~~
21 out-of-state bank that has one or more branches in the state
22 shall calculate and certify to the superintendent of banking in
23 the form prescribed by the superintendent the amount of public
24 funds on deposit ~~at the savings and loan and~~ at each such
25 branch of the out-of-state bank as of the end of the previous
26 calendar quarter.

27 4. On or before the twentieth day of February, May, August,
28 and November of each year, the superintendent shall notify the
29 treasurer of state of the amount of collateral required to be
30 pledged as of the end of the previous calendar quarter based
31 upon the certification provided to the superintendent under
32 subsection 1 or 2 and a review by the superintendent of the
33 quarterly call report filed by each bank that is not ~~a savings~~
34 ~~and loan or~~ an out-of-state bank.

35 Sec. 39. Section 12E.11, subsection 8, Code 2011, is amended

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1 to read as follows:

2 8. The bonds issued under this chapter are securities in
3 which insurance companies and associations and other persons
4 engaged in the business of insurance; banks, trust companies,
5 savings associations, ~~savings and loan associations~~, and
6 investment companies; administrators, guardians, executors,
7 trustees, and other fiduciaries; and other persons authorized
8 to invest in bonds or other obligations of the state may
9 properly and legally invest funds, including capital, in their
10 control or belonging to them.

11 Sec. 40. Section 16.1, subsection 1, paragraph y, Code
12 Supplement 2011, is amended to read as follows:

13 y. "*Mortgage lender*" means any bank, trust company, mortgage
14 company, national banking association, federal savings and loan
15 association, life insurance company, any governmental agency,
16 or any other financial institution authorized to make mortgage
17 loans in this state and includes a financial institution as
18 defined in section 496B.2, subsection 4, which lends moneys for
19 industrial or business purposes.

20 Sec. 41. Section 16.30, Code 2011, is amended to read as
21 follows:

22 **16.30 Bonds and notes as legal investments.**

23 Bonds and notes of the authority are securities in which
24 public officers, state departments and agencies, political
25 subdivisions, insurance companies, and other persons carrying
26 on an insurance business, banks, trust companies, savings and
27 ~~loan~~ associations, investment companies and other persons
28 carrying on a banking business, administrators, executors,
29 guardians, conservators, trustees and other fiduciaries,
30 and other persons authorized to invest in bonds or other
31 obligations of this state, may properly and legally invest
32 funds including capital in their control or belonging to them.
33 The bonds and notes are also securities which may be deposited
34 with and may be received by public officers, state departments
35 and agencies, and political subdivisions, for any purpose for

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1 which the deposit of bonds or other obligations of this state
2 is authorized.

3 Sec. 42. Section 16.177, subsection 5, Code 2011, is amended
4 to read as follows:

5 5. The bonds are securities in which public officers and
6 bodies of this state, political subdivisions of this state,
7 insurance companies and associations and other persons carrying
8 on an insurance business, banks, trust companies, savings
9 associations, ~~savings and loan associations~~, and investment
10 companies, administrators, guardians, executors, trustees,
11 and other fiduciaries, and other persons authorized to invest
12 in bonds or other obligations of the state, may properly and
13 legally invest funds, including capital, in their control or
14 belonging to them.

15 Sec. 43. Section 28J.18, Code 2011, is amended to read as
16 follows:

17 **28J.18 Revenue bonds are lawful investments.**

18 Port authority revenue bonds issued pursuant to this
19 chapter are lawful investments of banks, credit unions, trust
20 companies, ~~savings and loan~~ associations, deposit guaranty
21 associations, insurance companies, trustees, fiduciaries,
22 trustees or other officers having charge of the bond retirement
23 funds or sinking funds of port authorities and governmental
24 agencies, and taxing districts of this state, the pension
25 and annuity retirement system, the Iowa public employees'
26 retirement system, the police and fire retirement systems under
27 chapters 410 and 411, a revolving fund of a governmental agency
28 of this state, and are acceptable as security for the deposit
29 of public funds under chapter 12C.

30 Sec. 44. Section 68A.503, subsections 1 through 4, Code
31 2011, are amended to read as follows:

32 1. Except as provided in subsections 3, 4, 5, and 6, an
33 insurance company, ~~savings and loan~~ association, bank, credit
34 union, or corporation shall not make a monetary or in-kind
35 contribution to a candidate or committee except for a ballot

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1 issue committee.

2 2. Except as provided in subsection 3, a candidate or
3 committee, except for a ballot issue committee, shall not
4 receive a monetary or in-kind contribution from an insurance
5 company, savings ~~and loan~~ association, bank, credit union, or
6 corporation.

7 3. An insurance company, savings ~~and loan~~ association,
8 bank, credit union, or corporation may use money, property,
9 labor, or any other thing of value of the entity for the
10 purposes of soliciting its stockholders, administrative
11 officers, professional employees, and members for contributions
12 to a political committee sponsored by that entity and for
13 financing the administration of a political committee sponsored
14 by that entity. The entity's employees to whom the foregoing
15 authority does not extend may voluntarily contribute to
16 such a political committee but shall not be solicited for
17 contributions. A candidate or committee may solicit, request,
18 and receive money, property, labor, and any other thing of
19 value from a political committee sponsored by an insurance
20 company, savings ~~and loan~~ association, bank, credit union, or
21 corporation as permitted by this subsection.

22 4. The prohibitions in subsections 1 and 2 shall not apply
23 to an insurance company, savings ~~and loan~~ association, bank,
24 credit union, or corporation engaged in any of the following
25 activities:

26 a. Using its funds to encourage registration of voters and
27 participation in the political process or to publicize public
28 issues.

29 b. Using its funds to expressly advocate the passage or
30 defeat of ballot issues.

31 c. Using its funds for independent expenditures as provided
32 in section 68A.404.

33 d. Using its funds to place campaign signs as permitted
34 under section 68A.406.

35 Sec. 45. Section 175.2, subsection 1, paragraphs 1 and o,

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1 Code 2011, are amended to read as follows:

2 1. "*Lending institution*" means a bank, trust company,
3 mortgage company, national banking association, ~~savings~~
4 ~~and loan association~~, life insurance company, any state or
5 federal governmental agency or instrumentality, including
6 without limitation the federal land bank or any of its local
7 associations, or any other financial institution or entity
8 authorized to make farm operating loans in this state.

9 o. "*Mortgage lender*" means a bank, trust company,
10 mortgage company, national banking association, ~~savings~~
11 ~~and loan association~~, life insurance company, any state or
12 federal governmental agency or instrumentality, including
13 without limitation the federal land bank or any of its local
14 associations, or any other financial institution or entity
15 authorized to make mortgage loans or secured loans in this
16 state.

17 Sec. 46. Section 175.21, Code 2011, is amended to read as
18 follows:

19 **175.21 Bonds and notes as legal investments.**

20 Bonds and notes are securities in which public officers,
21 state departments and agencies, political subdivisions,
22 insurance companies and other persons carrying on an
23 insurance business, banks, trust companies, ~~savings and loan~~
24 ~~associations~~, investment companies and other persons carrying
25 on a banking business, administrators, executors, guardians,
26 conservators, trustees and other fiduciaries and other persons
27 authorized to invest in bonds or other obligations of this
28 state may properly and legally invest funds including capital
29 in their control or belonging to them. The bonds and notes
30 are also securities which may be deposited with and may be
31 received by public officers, state departments and agencies and
32 political subdivisions for any purpose for which the deposit of
33 bonds or other obligations of this state is authorized.

34 Sec. 47. Section 179.1, subsection 8, Code 2011, is amended
35 to read as follows:

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1 8. *"Qualified financial institution"* means a bank, or credit
2 union, ~~or savings and loan~~ as defined in section 12C.1.

3 Sec. 48. Section 181.1, subsection 7, Code 2011, is amended
4 to read as follows:

5 7. *"Qualified financial institution"* means a bank, or credit
6 union, ~~or savings and loan~~ as defined in section 12C.1.

7 Sec. 49. Section 183A.1, subsection 9, Code 2011, is amended
8 to read as follows:

9 9. *"Qualified financial institution"* means a bank, or credit
10 union, ~~or savings and loan~~ as defined in section 12C.1.

11 Sec. 50. Section 184.1, subsection 10, Code 2011, is amended
12 to read as follows:

13 10. *"Qualified financial institution"* means a bank, or
14 credit union, ~~or savings and loan~~ as defined in section 12C.1.

15 Sec. 51. Section 184A.1, subsection 8, Code 2011, is amended
16 to read as follows:

17 8. *"Qualified financial institution"* means a bank, or credit
18 union, ~~or savings and loan~~ as defined in section 12C.1.

19 Sec. 52. Section 185.1, subsection 13, Code 2011, is amended
20 to read as follows:

21 13. *"Qualified financial institution"* means a bank, or
22 credit union, ~~or savings and loan~~ as defined in section 12C.1.

23 Sec. 53. Section 185C.1, subsection 13, Code 2011, is
24 amended to read as follows:

25 13. *"Qualified financial institution"* means a bank, or
26 credit union, ~~or savings and loan~~ as defined in section 12C.1.

27 Sec. 54. Section 202C.1, subsection 4, Code 2011, is amended
28 to read as follows:

29 4. *"Financial institution"* means a bank or savings ~~and~~
30 loan association authorized by ~~this state or by~~ the laws of
31 the United States, which is a member of the federal deposit
32 insurance corporation, the federal savings and loan insurance
33 corporation, or the national bank for cooperatives established
34 in the Agricultural Credit Act, Pub. L. No. 100-233.

35 Sec. 55. Section 203.1, subsection 7, paragraph a, Code

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1 2011, is amended to read as follows:

2 ~~a.~~ A bank or savings ~~and loan~~ association authorized by
3 the laws of ~~this state~~, any other state, or the United States,
4 which is a member of the federal deposit insurance corporation.

5 Sec. 56. Section 206.2, subsection 12, Code 2011, is amended
6 to read as follows:

7 12. "*Financial institution*" means a bank or savings ~~and~~
8 ~~loan~~ association authorized by ~~this state or by~~ the laws of
9 the United States, which is a member of the federal deposit
10 insurance corporation or the federal savings and loan insurance
11 corporation.

12 Sec. 57. Section 216.10, subsection 1, paragraph b, Code
13 2011, is amended to read as follows:

14 ~~b.~~ Person authorized or licensed to do business in this
15 state pursuant to chapter 524, 533, ~~534~~, 536, or 536A to refuse
16 to loan or extend credit or to impose terms or conditions
17 more onerous than those regularly extended to persons of
18 similar economic backgrounds because of age, color, creed,
19 national origin, race, religion, marital status, sex, sexual
20 orientation, gender identity, physical disability, or familial
21 status.

22 Sec. 58. Section 234.37, Code 2011, is amended to read as
23 follows:

24 **234.37 Department may establish accounts for certain**
25 **children.**

26 The department of human services is authorized to establish
27 an account in the name of any child committed to the director
28 of human services or the director's designee, or whose legal
29 custody has been transferred to the department, or who is
30 voluntarily placed in foster care pursuant to section 234.35.
31 Any money which the child receives from the United States
32 government or any private source shall be placed in the child's
33 account, unless a guardian of the child's property has been
34 appointed and demands the money, in which case it shall be
35 paid to the guardian. The account shall be maintained by the

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1 department as trustee for the child in an interest-bearing
2 account at a reputable bank or savings ~~and loan~~ association,
3 except that if the child is residing at an institution
4 administered by the department a limited amount of the child's
5 funds may be maintained in a separate account, which need not
6 be interest bearing, in the child's name at the institution.
7 Any money held in an account in the child's name or in trust
8 for the child under this section may be used, at the discretion
9 of the department and subject to restrictions lawfully imposed
10 by the United States government or other source from which
11 the child receives the funds, for the purchase of personal
12 incidentals, desires and comforts of the child. All of the
13 money held for a child by the department under this section
14 and not used in the child's behalf as authorized by law shall
15 be promptly paid to the child or the child's parent or legal
16 guardian upon termination of the commitment of the child to
17 the director or the director's designee, or upon transfer or
18 cessation of legal custody of the child by the department.

19 Sec. 59. Section 235B.19, subsection 3, paragraph d,
20 subparagraph (2), Code Supplement 2011, is amended to read as
21 follows:

22 (2) Withdrawing funds from any bank, savings ~~and loan~~
23 association, credit union, or other financial institution, or
24 from an account containing securities in which the dependent
25 adult has an interest.

26 Sec. 60. Section 235B.19, subsection 8, paragraph f, Code
27 Supplement 2011, is amended to read as follows:

28 f. Withdrawing funds from any bank, savings ~~and loan~~
29 association, credit union, or other financial institution,
30 or from a stock account in which the dependent adult has an
31 interest.

32 Sec. 61. Section 252I.1, subsection 1, Code 2011, is amended
33 to read as follows:

34 1. "Account" means "account" as defined in section 524.103,
35 ~~"share account or shares" as defined in section 534.102,~~

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1 the savings or deposits of a member received or being held
2 by a credit union, or certificates of deposit. "Account"
3 also includes deposits held by an agent, a broker-dealer,
4 or an issuer as defined in section 502.102 and money-market
5 mutual fund accounts and "account" as defined in 42 U.S.C.
6 § 666(a)(17). However, "account" does not include amounts held
7 by a financial institution as collateral for loans extended by
8 the financial institution.

9 Sec. 62. Section 252I.1, subsection 7, Code 2011, is amended
10 by striking the subsection.

11 Sec. 63. Section 257C.8, subsection 7, Code 2011, is amended
12 to read as follows:

13 7. The bonds of the authority are securities in which public
14 officers and bodies of this state; political subdivisions of
15 this state; insurance companies and associations and other
16 persons carrying on an insurance business; banks, trust
17 companies, savings associations, ~~savings and loan associations,~~
18 and investment companies; administrators, guardians, executors,
19 trustees, and other fiduciaries; and other persons authorized
20 to invest in bonds or other obligations of the state, may
21 properly and legally invest funds, including capital, in their
22 control or belonging to them.

23 Sec. 64. Section 260C.64, Code 2011, is amended to read as
24 follows:

25 **260C.64 Who may invest.**

26 All banks, trust companies, building and loan associations,
27 savings ~~and loan~~ associations, investment companies, and other
28 persons carrying on an investment business, all insurance
29 companies, insurance associations, and other persons carrying
30 on an insurance business, and all executors, administrators,
31 guardians, trustees, and other fiduciaries may legally invest
32 any sinking funds, moneys or other funds belonging to them or
33 within their control in any bonds or notes issued pursuant to
34 this division. However, this section shall not be construed as
35 relieving any persons from any duty of exercising reasonable

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1 care in selecting securities for purchase or investment.

2 Sec. 65. Section 261.71, subsection 2, Code 2011, is amended
3 to read as follows:

4 2. The contract for the loan repayment shall stipulate
5 the time period the chiropractor shall practice in an
6 underserved area in this state. In addition, the contract
7 shall stipulate that the chiropractor repay any funds paid on
8 the chiropractor's loan by the commission if the chiropractor
9 fails to practice in an underserved area in this state for the
10 required period of time. Forgivable loans made to eligible
11 students shall not become due, for repayment purposes, until
12 one year after the student has graduated. A loan that has
13 not been forgiven may be sold to a bank, savings and loan
14 association, credit union, or nonprofit agency eligible to
15 participate in the guaranteed student loan program under the
16 federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq.,
17 by the commission when the loan becomes due for repayment.

18 Sec. 66. Section 261A.19, Code 2011, is amended to read as
19 follows:

20 **261A.19 Investment of funds of authority.**

21 Except as otherwise provided in section 261A.18, subsection
22 3, the authority may invest funds in direct obligations
23 of the United States of America; obligations for which the
24 timely payment of principal and interest is fully guaranteed
25 by the United States of America; obligations of the federal
26 intermediate credit banks, federal banks for cooperatives,
27 federal land banks, federal home loan banks, federal national
28 mortgage association, government national mortgage association
29 and the student loan marketing association; certificates of
30 deposit or time deposits constituting direct obligations of a
31 bank as defined by chapter 524; and in withdrawable capital
32 accounts or deposits of ~~state or~~ federal chartered savings and
33 ~~loan~~ associations which are insured by the federal savings
34 and loan deposit insurance corporation. However, investments
35 may be made only in certificates of deposit or time deposits

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1 in banks which are insured by the federal deposit insurance
2 corporation if then in existence. Securities authorized in
3 this section may be purchased at the offering or market price
4 at the time of the purchase. The securities purchased shall
5 mature or be redeemable on dates prior to the time when, in the
6 judgment of the authority, the funds invested will be required
7 for expenditure. The judgment of the authority as to the time
8 when funds will be required for expenditure or be redeemable is
9 final.

10 Sec. 67. Section 261A.20, Code 2011, is amended to read as
11 follows:

12 **261A.20 Obligations as legal investments.**

13 Banks, bankers, trust companies, ~~savings banks and~~
14 ~~institutions, building and loan associations, federally~~
15 ~~chartered savings and loan associations,~~ investment companies,
16 and other persons carrying on a banking or investment business,
17 insurance companies and insurance associations, and executors,
18 administrators, guardians, trustees, and other fiduciaries
19 may legally invest sinking funds, moneys, or other funds
20 belonging to them or within their control in obligations of the
21 authority.

22 Sec. 68. Section 262.63, Code 2011, is amended to read as
23 follows:

24 **262.63 Who may invest.**

25 All banks, trust companies, ~~building and loan associations,~~
26 ~~savings and loan associations,~~ investment companies, and other
27 persons carrying on an investment business, all insurance
28 companies, insurance associations, and other persons carrying
29 on an insurance business, and all executors, administrators,
30 guardians, trustees, and other fiduciaries may legally invest
31 any sinking funds, moneys, or other funds belonging to them or
32 within their control in any bonds or notes issued pursuant to
33 this division; provided, however, that nothing contained in
34 this section may be construed as relieving any persons from any
35 duty of exercising reasonable care in selecting securities for

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1 purchase or investment.

2 Sec. 69. Section 262A.11, Code 2011, is amended to read as
3 follows:

4 **262A.11 Bonds as security for investments.**

5 All banks, trust companies, bankers, ~~savings banks and~~
6 ~~institutions, building and loan associations,~~ savings and
7 loan associations, investment companies, and other persons
8 carrying on a banking or investment business, all insurance
9 companies, insurance associations, and other persons carrying
10 on an insurance business, and all executors, administrators,
11 guardians, trustees, and other fiduciaries may legally invest
12 any sinking funds, moneys, or other funds belonging to them
13 or within their control in any bonds issued pursuant to this
14 chapter; provided, however, that nothing contained in this
15 section may be construed as relieving any persons from any
16 duty of exercising reasonable care in selecting securities for
17 purchase or investment.

18 Sec. 70. Section 263A.9, Code 2011, is amended to read as
19 follows:

20 **263A.9 Investment in bonds or notes by financial**
21 **institutions.**

22 All banks, trust companies, bankers, ~~savings banks and~~
23 ~~institutions, building and loan associations,~~ savings and
24 loan associations, investment companies, and other persons
25 carrying on a banking or investment business, all insurance
26 companies, insurance associations, and other persons carrying
27 on an insurance business, and all executors, administrators,
28 guardians, trustees, and other fiduciaries may legally invest
29 any sinking funds, moneys, or other funds belonging to them
30 or within their control in any bonds or notes issued pursuant
31 to this chapter; provided, however, that nothing contained in
32 this section may be construed as relieving any persons from any
33 duty of exercising reasonable care in selecting securities for
34 purchase or investment.

35 Sec. 71. Section 322.7A, subsection 6, paragraph e, Code

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1 2011, is amended to read as follows:

2 e. Banks, credit unions, and savings ~~and loan~~ associations.

3 Sec. 72. Section 331.301, subsection 10, paragraph g, Code
4 Supplement 2011, is amended to read as follows:

5 g. A lease or lease-purchase contract to which a county is
6 a party or in which a county has a participatory interest is
7 an obligation of a political subdivision of this state for the
8 purposes of chapters 502 and 636, and is a lawful investment
9 for banks, trust companies, ~~building and loan associations,~~
10 savings ~~and loan~~ associations, investment companies, insurance
11 companies, insurance associations, executors, guardians,
12 trustees, and any other fiduciaries responsible for the
13 investment of funds.

14 Sec. 73. Section 331.402, subsection 3, paragraph f, Code
15 Supplement 2011, is amended to read as follows:

16 f. A loan agreement to which a county is a party or in which
17 a county has a participatory interest is an obligation of a
18 political subdivision of this state for the purpose of chapters
19 502 and 636, and is a lawful investment for banks, trust
20 companies, savings ~~and loan~~ associations, investment companies,
21 insurance companies, insurance associations, executors,
22 guardians, trustees, and any other fiduciaries responsible for
23 the investment of funds.

24 Sec. 74. Section 331.602, subsection 27, Code 2011, is
25 amended by striking the subsection.

26 Sec. 75. Section 364.4, subsection 4, paragraph g, Code
27 Supplement 2011, is amended to read as follows:

28 g. A lease or lease-purchase contract to which a city is
29 a party or in which a city has a participatory interest is an
30 obligation of a political subdivision of this state for the
31 purposes of chapters 502 and 636, and is a lawful investment
32 for banks, trust companies, ~~building and loan associations,~~
33 savings ~~and loan~~ associations, investment companies, insurance
34 companies, insurance associations, executors, guardians,
35 trustees, and any other fiduciaries responsible for the

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1 investment of funds.

2 Sec. 76. Section 384.24A, subsection 6, Code 2011, is
3 amended to read as follows:

4 6. A loan agreement to which a city is a party or in
5 which the city has a participatory interest is an obligation
6 of a political subdivision of this state for the purposes of
7 chapters 502 and 636, and is a lawful investment for banks,
8 trust companies, ~~building and loan associations,~~ savings and
9 ~~loan~~ associations, investment companies, insurance companies,
10 insurance associations, executors, guardians, trustees, and any
11 other fiduciaries responsible for the investment of funds.

12 Sec. 77. Section 390.20, subsection 1, Code 2011, is amended
13 to read as follows:

14 1. A bank, trust company, savings association, ~~building and~~
15 ~~loan association, savings and loan association,~~ or investment
16 company.

17 Sec. 78. Section 403.10, Code 2011, is amended to read as
18 follows:

19 **403.10 Bonds as legal investment.**

20 All banks, trust companies, ~~building and loan associations,~~
21 savings and ~~loan~~ associations, investment companies, and other
22 persons carrying on an investment business; all insurance
23 companies, insurance associations, and other persons carrying
24 on an insurance business; and all executors, administrators,
25 curators, trustees, and other fiduciaries, may legally invest
26 any sinking funds, moneys, or other funds belonging to them or
27 within their control in any bonds or other obligations issued
28 by a municipality pursuant to this chapter, or those issued
29 by any urban renewal agency vested with urban renewal project
30 powers under section 403.14. Such bonds and other obligations
31 shall be authorized security for all public deposits. It is
32 the purpose of this section to authorize any persons, political
33 subdivisions and officers, public or private, to use any funds
34 owned or controlled by them for the purchase of any such bonds
35 or other obligations. Nothing contained in this section with

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1 regard to legal investments shall be construed as relieving any
2 person of any duty of exercising reasonable care in selecting
3 securities.

4 Sec. 79. Section 421.17A, subsection 1, paragraph a, Code
5 2011, is amended to read as follows:

6 a. "Account" means "account" as defined in section 524.103,
7 ~~"share account or shares" as defined in section 534.102,~~ or
8 the savings or deposits of a member received or being held by
9 a credit union or a savings association, or certificates of
10 deposit. "Account" also includes deposits held by an agent,
11 a broker-dealer, or an issuer as defined in section 502.102.
12 However, "account" does not include amounts held by a financial
13 institution as collateral for loans extended by the financial
14 institution.

15 Sec. 80. Section 421.17A, subsection 1, paragraph e, Code
16 2011, is amended to read as follows:

17 e. "Financial institution" includes a bank, credit union,
18 or savings ~~and loan~~ association. "Financial institution" also
19 includes an institution which holds deposits for an agent,
20 broker-dealer, or an issuer as defined in section 502.102.

21 Sec. 81. Section 421.17A, subsection 1, paragraph g, Code
22 2011, is amended by striking the paragraph.

23 Sec. 82. Section 422.34, subsection 1, Code 2011, is amended
24 to read as follows:

25 1. All state, national, private, cooperative, and savings
26 banks, credit unions, title insurance and trust companies,
27 federally chartered savings and loan associations, production
28 credit associations, insurance companies or insurance
29 associations, reciprocal or inter-insurance exchanges, and
30 fraternal beneficiary associations.

31 Sec. 83. Section 422.61, subsection 1, Code 2011, is amended
32 to read as follows:

33 1. "Financial institution" means a state bank as defined in
34 section 524.103, subsection 39, a state bank chartered under
35 the laws of any other state, a national banking association,

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1 a trust company, a federally chartered savings and loan
2 association, an out-of-state state chartered savings bank, a
3 financial institution chartered by the federal home loan bank
4 board, a non-Iowa chartered savings and loan association, an
5 ~~association incorporated or authorized to do business under~~
6 ~~chapter 534,~~ or a production credit association.

7 Sec. 84. Section 423.2, subsection 6, paragraph b, Code
8 Supplement 2011, is amended to read as follows:

9 b. For the purposes of this subsection, "*financial*
10 *institutions*" means all national banks, federally chartered
11 savings and loan associations, federally chartered savings
12 banks, federally chartered credit unions, banks organized under
13 ~~chapter 524, savings and loan associations and savings banks~~
14 ~~organized under chapter 534,~~ credit unions organized under
15 chapter 533, and all banks, savings banks, credit unions, and
16 savings and loan associations chartered or otherwise created
17 under the laws of any state and doing business in Iowa.

18 Sec. 85. Section 445.5, subsection 2, paragraph a,
19 subparagraph (4), Code Supplement 2011, is amended to read as
20 follows:

21 (4) Financial institution organized or chartered or holding
22 an authorization certificate pursuant to chapter 524, or 533
23 ~~or 534.~~

24 Sec. 86. Section 455G.6, subsection 11, Code 2011, is
25 amended to read as follows:

26 11. The bonds are securities in which public officers and
27 bodies of this state; political subdivisions of this state;
28 insurance companies and associations and other persons carrying
29 on an insurance business; banks, trust companies, savings
30 associations, ~~savings and loan associations,~~ and investment
31 companies; administrators, guardians, executors, trustees,
32 and other fiduciaries; and other persons authorized to invest
33 in bonds or other obligations of the state, may properly and
34 legally invest funds, including capital, in their control or
35 belonging to them.

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1 Sec. 87. Section 463C.12, subsection 5, Code 2011, is
2 amended to read as follows:

3 5. The bonds are securities in which public officers and
4 bodies of this state, political subdivisions of this state,
5 insurance companies and associations and other persons carrying
6 on an insurance business, banks, trust companies, savings
7 associations, ~~savings and loan associations~~, and investment
8 companies, administrators, guardians, executors, trustees,
9 and other fiduciaries, and other persons authorized to invest
10 in bonds or other obligations of the state, may properly and
11 legally invest funds, including capital, in their control or
12 belonging to them.

13 Sec. 88. Section 483A.55, Code 2011, is amended to read as
14 follows:

15 **483A.55 Bonds as legal investments.**

16 Bonds are securities in which all public officers and bodies
17 of the state and all municipalities and political subdivisions
18 of this state, all insurance companies and associations
19 and other persons carrying on an insurance business, all
20 banks, bankers, trust companies, ~~savings banks~~, and savings
21 associations, ~~including savings and loan associations, building~~
22 ~~loan associations~~, investment companies, and other persons
23 carrying on a banking business, all administrators, guardians,
24 executors, trustees, and other fiduciaries and all other
25 persons who are now or may be authorized to invest in bonds or
26 other obligations of this state may properly and legally invest
27 funds including capital in their control or belonging to them.
28 The bonds are also securities which may be deposited with and
29 may be received by all public officers and bodies of the state
30 and all municipalities and legal subdivisions of this state for
31 any purpose for which the deposit of bonds or other obligations
32 of the state is now or may be authorized.

33 Sec. 89. Section 490.1701, subsection 2, Code 2011, is
34 amended to read as follows:

35 2. Unless otherwise provided, this chapter does not apply to

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1 an entity subject to chapter 174, 497, 498, 499, 499A, 524, or
2 533, ~~or 534~~ or a corporation organized on the mutual plan under
3 chapter 491, or a telephone company organized as a corporation
4 under chapter 491 qualifying pursuant to an internal revenue
5 service letter ruling under Internal Revenue Code § 501(c)(12)
6 as a nonprofit corporation entitled to distribute profits in a
7 manner similar to a chapter 499 corporation, unless such entity
8 voluntarily elects to adopt the provisions of this chapter and
9 complies with the procedure prescribed by subsection 3 of this
10 section.

11 A corporation organized under chapter 496C may voluntarily
12 elect to adopt the provisions of this chapter by complying with
13 the provisions prescribed by subsection 3.

14 Sec. 90. Section 491.10, Code 2011, is amended to read as
15 follows:

16 **491.10 Interpretative clause.**

17 Nothing in sections 491.5 to 491.9 shall be construed as
18 repealing or modifying any statute now in force in respect to
19 the approval of articles of incorporation relating to insurance
20 companies, ~~building and loan associations~~ or investment
21 companies.

22 Sec. 91. Section 491.50, unnumbered paragraph 2, Code 2011,
23 is amended to read as follows:

24 The provisions of sections 491.46 and 491.47 and this
25 section shall not apply to ~~building and loan associations,~~
26 ~~savings and loan associations,~~ deposit, loan, and investment
27 records of banks, ~~and~~ trust companies, or insurance companies
28 organized under the laws of the state of Iowa, and to whom the
29 provisions of this chapter would otherwise be applicable.

30 Sec. 92. Section 491.58, Code 2011, is amended to read as
31 follows:

32 **491.58 Liability of stockholders.**

33 Neither anything in this chapter contained, nor any
34 provisions in the articles of corporation, shall exempt the
35 stockholders from individual liability to the amount of the

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1 unpaid installments on the stock owned by them, or transferred
2 by them for the purpose of defrauding creditors; and execution
3 against the company may, to that extent, be levied upon
4 the private property of any such individual. ~~The foregoing~~
5 ~~provisions shall not apply to building and loan associations,~~
6 ~~and savings and loan associations.~~

7 Sec. 93. Section 492.5, Code 2011, is amended to read as
8 follows:

9 **492.5 Par value required.**

10 No corporation organized under the laws of this state,
11 ~~except building and loan associations,~~ shall issue any
12 certificate of a share of capital stock, or any substitute
13 therefor, until the corporation has received the par value
14 thereof.

15 Sec. 94. Section 492.9, Code 2011, is amended to read as
16 follows:

17 **492.9 Certificate of issuance of stock.**

18 It shall be the duty of every corporation, ~~except~~
19 ~~corporations qualified under chapter 534,~~ to file a certificate
20 under oath with the secretary of state, within thirty days
21 after the issuance of any capital stock, stating the date of
22 issue, the amount issued, the sum received therefor, if payment
23 be made in money, or the property or thing taken, if such be
24 the method of payment. If the corporation fails to file said
25 certificate of issuance of stock within the thirty-day period
26 herein provided, it may thereafter file the same upon first
27 paying to the secretary of state a penalty of ten dollars when
28 the said certificate is offered for filing. Provided further
29 that the penalty herein provided for is first paid and provided
30 the said report contains the specific information required
31 by this section as to the issuance of any capital stock not
32 previously reported, then the first annual report filed by
33 such corporation following such failure to comply with the
34 provisions of this section, shall be received by the secretary
35 of state as a compliance with this section.



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1 Sec. 95. Section 493.1, Code 2011, is amended to read as
2 follows:

3 **493.1 Authorization.**

4 Any corporation, heretofore or hereafter organized for
5 pecuniary profit under the laws of this state, except state
6 banks, trust companies, ~~building and loan associations~~
7 and insurance companies, may create one or more classes of
8 stock without any nominal or par value, with such rights,
9 preferences, privileges, voting powers, limitations,
10 restrictions and qualifications thereon not inconsistent with
11 law as shall be expressed in its articles of incorporation,
12 or any amendment thereto. Stock without par value which is
13 preferred as to dividends, or as to its distributive share
14 of the assets of the corporation upon dissolution, may be
15 made subject to redemption at such times and prices as may be
16 determined in such articles of incorporation, or any amendment
17 thereto. In the case of stock without par value which is
18 preferred as to its distributive share of the assets of the
19 corporation upon dissolution, the amount of such preference
20 shall be stated in the articles of incorporation, or any
21 amendment thereto.

22 Sec. 96. Section 496B.2, subsection 4, Code Supplement
23 2011, is amended to read as follows:

24 4. "*Financial institution*" means any bank, trust company,
25 savings ~~and loan~~ association, insurance company or related
26 corporation, partnership, foundation or other institution
27 licensed to do business in the state of Iowa and engaged
28 primarily in lending or investing funds.

29 Sec. 97. Section 496B.9, subsection 3, paragraph b,
30 subparagraph (2), Code 2011, is amended by striking the
31 subparagraph.

32 Sec. 98. Section 501A.601, subsection 1, paragraph b, Code
33 2011, is amended to read as follows:

34 b. This section does not give a cooperative the power
35 or authority to exercise the powers of a credit union under

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1 chapter 533, ~~or a bank under chapter 524, or a savings and loan~~
2 ~~association under chapter 534.~~

3 Sec. 99. Section 515C.9, Code 2011, is amended to read as
4 follows:

5 **515C.9 Restrictions on advertising.**

6 No bank, savings ~~and loan~~ association, insurance company, or
7 other lending institution, any of whose authorized real estate
8 securities are insured by mortgage guaranty insurance companies
9 may state in any brochure, pamphlet, report, or any form of
10 advertising that the real estate loans of the bank, savings
11 ~~and loan~~ association, insurance company, or other lending
12 institution are "insured loans" unless the brochure, pamphlet,
13 report, or advertising also clearly states that the loans
14 are insured by private insurers and the names of the private
15 insurers are given and shall not make any such statement at all
16 unless such insurance is by an insurer authorized to write this
17 coverage in this state.

18 Sec. 100. Section 516E.10, subsection 1, paragraph h, Code
19 2011, is amended to read as follows:

20 *h.* A bank, savings ~~and loan~~ association, credit union,
21 insurance company, or other lending institution shall not
22 require the purchase of a service contract as a condition of
23 a loan.

24 Sec. 101. Section 523A.102, subsection 11, unnumbered
25 paragraph 1, Code 2011, is amended to read as follows:

26 "*Financial institution*" means a state or federally insured
27 bank, savings ~~and loan~~ association, credit union, trust
28 department thereof, or a trust company authorized to do
29 business within this state and which has been granted trust
30 powers under the laws of this state or the United States, which
31 holds funds under a trust agreement. "*Financial institution*"
32 does not include:

33 Sec. 102. Section 523C.17, Code 2011, is amended to read as
34 follows:

35 **523C.17 Lending institutions, service companies, and**

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1 insurance companies.

2 A bank, savings ~~and loan~~ association, insurance company, or
3 other lending institution shall not require the purchase of
4 a residential service contract as a condition of a loan. A
5 service company or an insurer, either directly or indirectly,
6 as a part of any real property transaction in which a
7 residential service contract will be issued, purchased, or
8 acquired, shall not require that a residential service contract
9 be issued, purchased, or acquired in conjunction with or as a
10 condition precedent to the issuance, purchase, or acquisition,
11 by any person, of a policy of insurance. A lending institution
12 shall not sell a residential service contract to a borrower
13 unless the borrower signs an affidavit acknowledging that
14 the purchase is not required. Violation of this section is
15 punishable as provided in section 523C.13.

16 Sec. 103. Section 523I.102, subsection 12, Code 2011, is
17 amended to read as follows:

18 12. "*Financial institution*" means a state or federally
19 insured bank, savings ~~and loan~~ association, credit union, trust
20 department thereof, or a trust company that is authorized to do
21 business within this state, that has been granted trust powers
22 under the laws of this state or the United States, and that
23 holds funds under a trust agreement. "*Financial institution*"
24 does not include a cemetery or any person employed by or
25 directly involved with a cemetery.

26 Sec. 104. Section 524.103, subsection 38, Code 2011, is
27 amended by striking the subsection.

28 Sec. 105. Section 524.107, subsection 2, Code 2011, is
29 amended to read as follows:

30 2. A person doing business in this state shall not use
31 the words "bank" or "trust" or use any derivative, plural,
32 or compound of the words "bank", "banking", "bankers", or
33 "trust" in any manner which would tend to create the impression
34 that the person is authorized to engage in the business of
35 banking or to act in a fiduciary capacity, except a state

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1 bank authorized to do so by this chapter, a national bank to
2 the extent permitted by the laws of the United States, a bank
3 holding company as defined in section 524.1801, a savings
4 and loan holding company as defined in 12 U.S.C. § 1467a, a
5 ~~state association pursuant to section 534.507~~, or a federal
6 association to the extent permitted by the laws of the United
7 States, or, insofar as the word "trust" is concerned, an
8 individual permissibly serving as a fiduciary in this state,
9 pursuant to section 633.63, or, insofar as the words "trust"
10 and "bank" are concerned, a nonresident corporate fiduciary
11 permissibly serving as a fiduciary in this state pursuant to
12 section 633.64.

13 Sec. 106. Section 524.211, subsection 1, Code Supplement
14 2011, is amended to read as follows:

15 1. The superintendent, general counsel, examiners, and
16 other employees assigned to the bank bureau of the banking
17 division are prohibited from obtaining a loan of money or
18 property from a state-chartered bank, ~~a state savings and~~
19 ~~loan association~~, or any person or entity affiliated with a
20 state-chartered bank, ~~or a state savings and loan association~~,
21 unless they do not personally participate in the examination,
22 oversight, or official review concerning the regulation of the
23 bank ~~or savings and loan association~~.

24 Sec. 107. Section 524.216, subsection 2, paragraph b, Code
25 2011, is amended to read as follows:

26 b. A summary of the assets, liabilities, and capital
27 structure of all state banks ~~and state savings and loan~~
28 ~~associations~~ as of June 30 of the year for which the report is
29 made.

30 Sec. 108. Section 524.821, subsection 1, Code 2011, is
31 amended to read as follows:

32 1. A state bank may engage in any transaction incidental to
33 the conduct of the business of banking and otherwise permitted
34 by applicable law, by means of either the direct transmission
35 of electronic impulses to or from customers and banks or

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1 the recording of electronic impulses or other indicia of a
2 transaction for delayed transmission to a bank. Subject to the
3 provisions of chapter 527, a state bank may utilize, establish
4 or operate, alone or with one or more other banks, savings
5 and loan associations incorporated under ~~the provisions of~~
6 ~~chapter 534 or~~ federal law, credit unions incorporated under
7 the provisions of chapter 533 or federal law, corporations
8 licensed under chapter 536A, or third parties, the satellite
9 terminals permitted under chapter 527, by means of which
10 customers and banks may transmit and receive electronic
11 impulses constituting transactions pursuant to this section.
12 However, such utilization, establishment, or operation shall be
13 lawful only when in compliance with chapter 527. Nothing in
14 this section shall be construed as authority for any person to
15 engage in transactions not otherwise permitted by applicable
16 law, nor shall anything in this section be deemed to repeal,
17 replace or in any other way affect any applicable law or rule
18 regarding the maintenance of or access to financial information
19 maintained by any bank.

20 Sec. 109. Section 524.1401, subsections 1 and 3, Code 2011,
21 are amended to read as follows:

22 1. Upon compliance with the requirements of this chapter,
23 one or more state banks, one or more national banks, ~~one or~~
24 ~~more state associations,~~ one or more federal associations, one
25 or more corporations, or any combination of these entities,
26 with the approval of the superintendent, may merge into a state
27 bank.

28 3. Upon compliance with the requirements of this chapter
29 ~~and chapter 534,~~ one or more state banks may merge with one or
30 ~~more state associations or~~ federal associations. The authority
31 of a state bank to merge into a ~~state or~~ federal association
32 is subject to the conditions the laws of the United States
33 authorize at the time of the transaction.

34 Sec. 110. Section 524.1409, Code 2011, is amended to read
35 as follows:

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1 **524.1409 Conversion of national bank or federal savings**
2 **association ~~or state savings and loan association~~ into state**
3 **bank.**

4 A national bank, or federal savings association, ~~or state~~
5 ~~savings and loan association~~, subject to the provisions of this
6 chapter, may convert into a state bank upon authorization by
7 and compliance with the laws of the United States, adoption
8 of a plan of conversion by the affirmative vote of at least
9 a majority of its directors and the holders of two-thirds of
10 each class of its shares at a meeting held upon not less than
11 ten days' notice to all shareholders, and upon approval of the
12 superintendent.

13 Sec. 111. Section 524.1410, unnumbered paragraph 1, Code
14 2011, is amended to read as follows:

15 A national bank, or federal savings association, ~~or state~~
16 ~~savings and loan association~~ shall make an application to the
17 superintendent for approval of the conversion in a manner
18 prescribed by the superintendent and shall deliver to the
19 superintendent, when available:

20 Sec. 112. Section 524.1411, unnumbered paragraph 1, Code
21 2011, is amended to read as follows:

22 The articles of conversion shall be signed by two duly
23 authorized officers of the national bank, or federal savings
24 association, ~~or state savings and loan association~~ and shall
25 contain all of the following:

26 Sec. 113. Section 524.1411, subsection 1, Code 2011, is
27 amended to read as follows:

28 1. The name of the national bank, or federal savings
29 association, ~~or state savings and loan association~~ and the name
30 of the resulting state bank.

31 Sec. 114. Section 524.1412, unnumbered paragraph 1, Code
32 2011, is amended to read as follows:

33 Within thirty days after the application for conversion has
34 been accepted for processing, the national bank, or federal
35 savings association, ~~or state savings and loan association~~

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1 shall publish a notice of the delivery of the articles of
2 conversion to the superintendent in a newspaper of general
3 circulation published in the municipal corporation or
4 unincorporated area in which the national bank, or federal
5 savings association, ~~or state savings and loan association~~
6 has its principal place of business, or if there is none, a
7 newspaper of general circulation published in the county,
8 or in a county adjoining the county, in which the national
9 bank, or federal savings association, ~~or state savings and~~
10 ~~loan association~~ has its principal place of business. Proof
11 of publication of the notice shall be delivered to the
12 superintendent within fourteen days. The notice shall set
13 forth all of the following:

14 Sec. 115. Section 524.1412, subsection 1, Code 2011, is
15 amended to read as follows:

16 1. The name of the national bank, or federal savings
17 association, ~~or state savings and loan association~~ and the name
18 of the resulting state bank.

19 Sec. 116. Section 524.1415, Code 2011, is amended to read
20 as follows:

21 **524.1415 Effect of filing of articles of conversion with**
22 **secretary of state.**

23 1. The conversion is effective upon the filing of the
24 articles of conversion with the secretary of state, or at any
25 later date and time as specified in the articles of conversion.
26 The acknowledgment of filing is conclusive evidence of the
27 performance of all conditions required by this chapter for
28 conversion of a national bank, or federal savings association,
29 ~~or state savings and loan association~~ into a state bank, except
30 as against the state.

31 2. When a conversion becomes effective, the existence of the
32 national bank, or federal savings association, ~~or state savings~~
33 ~~and loan association~~ shall continue in the resulting state bank
34 which shall have all the property, rights, powers, and duties
35 of the national bank, or federal savings association, ~~or state~~

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1 ~~savings and loan association~~, except that the resulting state
2 bank shall have only the authority to engage in such business
3 and exercise such powers as it would have, and shall be subject
4 to the same prohibitions and limitations to which it would be
5 subject, upon original incorporation under this chapter. The
6 articles of incorporation of the resulting state bank shall be
7 the provisions stated in the articles of conversion.

8 3. A liability of the national bank, or federal savings
9 association, ~~or state savings and loan association~~, or of the
10 national bank's, or federal savings association's, ~~or state~~
11 ~~savings and loan association's~~ shareholders, directors, or
12 officers, is not affected by the conversion. A lien on any
13 property of the national bank, or federal savings association,
14 ~~or state savings and loan association~~ is not impaired by the
15 conversion. A claim existing or action pending by or against
16 the national bank, or federal savings association, ~~or state~~
17 ~~savings and loan association~~ may be prosecuted to judgment as
18 if the conversion had not taken place, or the resulting state
19 bank may be substituted in its place.

20 4. The title to all real estate and other property owned by
21 the converting national bank, or federal savings association,
22 ~~or state savings and loan association~~ is vested in the
23 resulting state bank without reversion or impairment.

24 Sec. 117. Section 524.1416, Code 2011, is amended to read
25 as follows:

26 **524.1416 Authority for conversion of state bank into national**
27 **bank or federal savings association ~~or state savings and loan~~**
28 **~~association~~.**

29 1. A state bank may convert into a national bank, or federal
30 savings association, ~~or state savings and loan association~~ upon
31 ~~authorization~~ by and compliance with the laws of the United
32 States, and adoption of a plan of conversion by the affirmative
33 vote of at least a majority of its directors and the holders
34 of two-thirds of each class of its shares at a meeting held
35 upon not less than ten days' notice to all shareholders. The

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1 authority of a state bank to convert into a national bank or
2 federal savings association shall be subject to the condition
3 that at the time of the transaction, the laws of the United
4 States shall authorize a national bank or federal savings
5 association located in this state, without approval by the
6 comptroller of the currency of the United States or director
7 of the office of thrift supervision, as applicable, to convert
8 into a state bank under limitations and conditions no more
9 restrictive than those contained in this section and section
10 524.1417 with respect to conversion of a state bank into a
11 national bank or federal savings association.

12 2. A state bank which converts into a national bank or
13 federal savings association shall notify the superintendent of
14 the proposed conversion, provide such evidence of the adoption
15 of the plan as the superintendent may request, notify the
16 superintendent of any abandonment or disapproval of the plan,
17 and file with the superintendent and with the secretary of
18 state a certificate of the approval of the conversion by the
19 comptroller of the currency of the United States or director
20 of the office of thrift supervision, as applicable, and the
21 date upon which such conversion is to become effective. A
22 state bank that converts into a national bank or federal
23 savings association shall comply with the provisions of section
24 524.310, subsection 1.

25 ~~3. A state bank that converts into a state savings and~~
26 ~~loan association shall file with the secretary of state~~
27 ~~a certificate of the approval of the conversion by the~~
28 ~~superintendent and the date upon which such conversion is to~~
29 ~~be effective.~~

30 Sec. 118. Section 524.1417, Code 2011, is amended to read
31 as follows:

32 **524.1417 Appraisal rights of shareholder of converting state**
33 **or national bank or federal or state savings association.**

34 1. A shareholder of a state bank that converts into a
35 national bank, or federal savings association, ~~or a state~~

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1 ~~savings and loan association~~ who objects to the plan of
2 conversion is entitled to appraisal rights as provided in
3 chapter 490, division XIII.

4 2. If a shareholder of a national bank or federal savings
5 association that converts into a state bank objects to the plan
6 of conversion and complies with the requirements of applicable
7 laws of the United States, the resulting state bank is liable
8 for the value of the shareholder's shares as determined in
9 accordance with such laws of the United States.

10 ~~3. If a shareholder of a state savings and loan association~~
11 ~~that converts to a state bank objects to the plan of conversion~~
12 ~~and complies with the requirements of applicable laws of this~~
13 ~~state, the resulting bank is liable for the value of the~~
14 ~~shareholder's shares as determined in accordance with such laws~~
15 ~~of this state.~~

16 Sec. 119. Section 524.1418, Code 2011, is amended to read
17 as follows:

18 **524.1418 Succession to fiduciary accounts and appointments —**
19 **application for appointment of new fiduciary.**

20 The provisions of section 524.1009 apply to a resulting
21 state or national bank, or federal savings association, ~~or~~
22 ~~state savings and loan association~~ after a conversion with the
23 same effect as though the state or national bank, or federal
24 savings association, ~~or state savings and loan association~~ were
25 a party to a plan of merger, and the conversion were a merger,
26 within the provisions of that section.

27 Sec. 120. Section 524.1805, subsection 5, Code 2011, is
28 amended to read as follows:

29 5. For purposes of subsection 1, a bank that resulted from
30 the conversion of a ~~state savings and loan association or~~
31 federal savings association, as defined in 12 U.S.C. § 1813,
32 is deemed to have been in continuous existence and operation
33 as a bank for the combined periods of continuous existence and
34 operation of the bank and the association from which it was
35 converted.



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1 Sec. 121. Section 527.2, subsections 2 and 9, Code 2011, are
2 amended to read as follows:

3 2. "*Administrator*" means and includes the superintendent of
4 banking, ~~the superintendent of savings and loan associations,~~
5 and the superintendent of credit unions within the department
6 of commerce and the supervisor of industrial loan companies
7 within the office of the superintendent of banking. However,
8 the powers of administration and enforcement of this chapter
9 shall be exercised only as provided in sections 527.3, 527.5,
10 subsection 7, sections 527.11, 527.12, and any other pertinent
11 provision of this chapter.

12 9. "*Financial institution*" means and includes any bank
13 incorporated under the provisions of any state or federal
14 law, any savings and loan association incorporated under the
15 provisions of ~~any state or~~ federal law, any credit union
16 organized under the provisions of any state or federal law,
17 any corporation licensed as an industrial loan company under
18 chapter 536A, and any affiliate of a bank, savings and loan
19 association, credit union, or industrial loan company.

20 Sec. 122. Section 527.3, subsection 1, Code 2011, is amended
21 to read as follows:

22 1. For purposes of this chapter the superintendent of
23 banking only has the power to issue rules applicable to, to
24 accept and approve or disapprove applications or informational
25 statements from, to conduct hearings and revoke any
26 approvals relating to, and to exercise all other supervisory
27 authority created by this chapter with respect to banks; ~~the~~
28 ~~superintendent of savings and loan associations only shall have~~
29 ~~and exercise such powers and authority with respect to savings~~
30 ~~and loan associations;~~ the superintendent of credit unions only
31 has such powers and authority with respect to credit unions;
32 and the superintendent of banking or the superintendent's
33 designee only has such powers and authority with respect to
34 industrial loan companies.

35 Sec. 123. Section 527.5, subsection 11, paragraph d, Code

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1 2011, is amended to read as follows:

2 *d.* For purposes of this subsection, a national card
3 association must be a membership corporation or organization,
4 wherever incorporated and maintaining a principal place of
5 business, which is engaged in the business of administering for
6 the benefit of the association's members a program involving
7 electronic funds transfer transaction cards or access devices
8 depicting a service mark, logo, or trademark associated with
9 the national card association and which may be utilized to
10 perform transactions at point-of-sale terminals. A national
11 card association must have a membership solely comprised of
12 insured depository financial institutions, organizations
13 directly or indirectly owned or controlled solely by insured
14 depository financial institutions, entities wholly owned
15 by one or more insured depository financial institutions,
16 holding companies having at least two-thirds of their assets
17 consisting of the voting stock of insured depository financial
18 institutions, organizations wholly owned by one or more
19 holding companies having at least two-thirds of their assets
20 consisting of the voting stock of insured depository financial
21 institutions and which are solely engaged in activities related
22 to the programs sponsored by the national card association, or
23 such other entities or organizations which are authorized by
24 the national card association's bylaws to participate in the
25 electronic funds transfer transaction card or access device
26 programs or other services and programs sponsored by the
27 national card association. For purposes of this subsection,
28 a national card association shall not include a financial
29 institution, bank holding company as defined in section
30 524.1801, or in the federal Bank Holding Company Act of 1956,
31 12 U.S.C. § 1842(d), as amended to July 1, 1994, ~~association~~
32 ~~holding company as defined in section 534.102, or a supervised~~
33 ~~organization as defined in section 534.102, or any other~~
34 financial institution holding company organized under federal
35 or state law, or a subsidiary or affiliate corporation owned or

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1 controlled by a financial institution or financial institution
2 holding company, which has authorized a customer or member
3 to engage in satellite terminal transactions. For purposes
4 of this subsection, a national card association shall also
5 not include a membership corporation or organization which
6 is conducting business as a regional or nationwide network
7 of shared electronic funds transfer terminals which do not
8 constitute point-of-sale terminals, and is engaged in satellite
9 terminal transaction services utilizing a common service mark,
10 logo, or trademark to identify such terminal services.

11 Sec. 124. Section 527.9, subsection 5, Code 2011, is amended
12 to read as follows:

13 5. a. Effective July 1, 1987, a person owning or operating
14 a central routing unit authorized under this section shall
15 include public representation on any board setting policy for
16 the central routing unit. Four or five public members shall be
17 appointed to the board in the following manner:

18 (1) ~~Two~~ Three members shall be appointed by the
19 superintendent of banking.

20 (2) One member shall be appointed by the superintendent of
21 credit unions.

22 ~~(3) One member shall be appointed by the superintendent of~~
23 ~~savings and loan associations.~~

24 ~~(4)~~ (3) If an industrial loan company is connected to the
25 central routing unit, one member shall be appointed by the
26 superintendent of banking.

27 b. The superintendent of banking, and superintendent
28 of credit unions, ~~and superintendent of savings and loan~~
29 ~~associations~~ shall form a committee to set, in conjunction
30 with the entity owning or operating the central routing unit,
31 the term of office, the rate of compensation, and the rate of
32 reimbursement for each public member. However, the public
33 members shall be entitled to reasonable compensation and
34 reimbursement from the board.

35 c. Each public member is entitled to all the rights of

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1 participation and voting as any other member of the board.
2 The public members are to represent the interest of consumers
3 and the business and agricultural communities in establishing
4 policies for the central routing unit.

5 d. It is the intention of the general assembly that the
6 ratio of public members to the overall membership of the
7 board shall not be less than one public member for each seven
8 members of the board. If the number of members on the board
9 is increased, then the number of members appointed pursuant to
10 paragraph "a" shall be increased to maintain the minimum ratio.
11 In this event, ~~a committee composed of the superintendent of~~
12 ~~banking, and the superintendent of credit unions, and the~~
13 ~~superintendent of savings and loan associations~~ shall appoint
14 additional public members in order to maintain the minimum
15 ratio.

16 e. An individual shall not be appointed as a public member
17 pursuant to this subsection if the individual is a director of
18 a financial institution or is directly employed by a financial
19 institution doing business in this state.

20 Sec. 125. Section 528.2, subsection 1, Code 2011, is amended
21 to read as follows:

22 1. "Administrator" means the superintendent of banking,
23 ~~the superintendent of savings and loan associations,~~ and the
24 superintendent of credit unions within the department of
25 commerce.

26 Sec. 126. Section 533.301, subsection 4, Code Supplement
27 2011, is amended to read as follows:

28 4. Make deposits in state and national banks, ~~state and~~
29 federal savings banks or savings and loan associations, and
30 state and federal credit unions, the accounts of which are
31 insured by the federal deposit insurance corporation or the
32 national credit union share insurance fund.

33 Sec. 127. Section 533.301, subsection 5, paragraph a, Code
34 Supplement 2011, is amended to read as follows:

35 a. Time deposits in state and national banks, ~~state and~~

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1 federal savings banks or savings and loan associations, and
2 state and federal credit unions, the deposits of which are
3 insured by the federal deposit insurance corporation or the
4 national credit union share insurance fund.

5 Sec. 128. Section 533.301, subsection 18, paragraph a, Code
6 Supplement 2011, is amended to read as follows:

7 a. Subject to the provisions of chapter 527, a state credit
8 union may utilize, establish, or operate, alone or with one
9 or more other credit unions, banks incorporated under chapter
10 524 or federal law, savings and loan associations incorporated
11 under ~~chapter 534~~ or federal law, corporations licensed
12 under chapter 536A, or third parties, the satellite terminals
13 permitted under chapter 527, by means of which the state credit
14 union may transmit to or receive from any member electronic
15 impulses constituting transactions pursuant to this subsection.
16 However, such utilization, establishment, or operation shall be
17 lawful only when in compliance with chapter 527.

18 Sec. 129. Section 533.305, subsection 4, paragraph c, Code
19 2011, is amended by striking the paragraph.

20 Sec. 130. Section 533.313, subsection 1, paragraph c, Code
21 2011, is amended to read as follows:

22 c. The term does not include a draft issued by a state
23 credit union for the transfer of funds between the issuing
24 credit union and another credit union, a bank, a savings and
25 loan association chartered under federal law, or another
26 depository financial institution.

27 Sec. 131. Section 533A.2, subsection 2, paragraph b, Code
28 2011, is amended to read as follows:

29 b. Banks, federally chartered savings and loan associations,
30 credit unions, mortgage bankers and mortgage brokers licensed
31 or registered under chapter 535B, insurance companies and
32 similar fiduciaries, regulated loan companies licensed under
33 chapter 536, and industrial loan companies licensed under
34 chapter 536A, authorized and admitted to transact business in
35 this state and performing credit and financial adjusting in the

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1 regular course of their principal business, or while performing
2 an escrow function.

3 Sec. 132. Section 535.2, subsection 2, paragraph b,
4 subparagraph (6), Code Supplement 2011, is amended to read as
5 follows:

6 (6) With respect to any transaction referred to in paragraph
7 "a" of this subsection, this subsection supersedes any
8 interest-rate or finance-charge limitations contained in the
9 Code, including but not limited to this chapter and chapters
10 321, 322, 524, 533, ~~534~~, 536A, and 537.

11 Sec. 133. Section 535.8, subsection 2, paragraph b,
12 subparagraph (3), Code 2011, is amended to read as follows:

13 (3) A lender shall not charge the borrower any costs other
14 than expressly permitted by this paragraph "b". However,
15 additional costs incurred in connection with a loan under this
16 paragraph "b", if bona fide and reasonable, may be collected by
17 a state-chartered financial institution licensed under chapter
18 ~~524~~, or 533, ~~or 534~~, to the extent permitted under applicable
19 federal law as determined by the office of the comptroller of
20 the currency of the United States department of treasury, the
21 national credit union administration, or the office of thrift
22 supervision of the United States department of treasury. Such
23 costs shall apply only to the same type of state-chartered
24 entity as the federally chartered entity affected and shall
25 apply to and may be collected by an insurer organized under
26 chapter 508 or 515, or otherwise authorized to conduct the
27 business of insurance in this state.

28 Sec. 134. Section 535A.2, subsection 2, paragraph b, Code
29 2011, is amended by striking the paragraph.

30 Sec. 135. Section 535B.11, subsection 3, paragraph b, Code
31 2011, is amended to read as follows:

32 b. Compliance with sections 524.905, 533.315, ~~534.206~~, and
33 536A.20 shall constitute compliance with this subsection.

34 Sec. 136. Section 535C.2, subsection 4, paragraph i, Code
35 2011, is amended by striking the paragraph.

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1 Sec. 137. Section 536A.24, Code 2011, is amended to read as
2 follows:

3 **536A.24 Electronic transactions.**

4 A licensee may engage in any transaction otherwise permitted
5 by this chapter and applicable law, by means of either the
6 direct transmission of electronic impulses or other indicia
7 of a transaction for delayed transmission to the licensee.
8 Subject to the provisions of chapter 527, a licensee may
9 utilize, establish or operate, alone or with one or more
10 other licensees, banks incorporated under the provisions of
11 chapter 524 or federal law, credit unions incorporated under
12 the provisions of chapter 533 or federal law, savings and loan
13 associations incorporated under the provisions of ~~chapter 534~~
14 ~~or~~ federal law, or third parties, the satellite terminals
15 permitted under chapter 527, by means of which the licensee may
16 transmit to or receive from any customer electronic impulses
17 constituting transactions pursuant to this section. However,
18 such utilization, establishment or operation is lawful only
19 when in compliance with chapter 527. Nothing in this section
20 authorizes a licensee or other person to engage in transactions
21 not otherwise permitted by applicable law, nor does anything
22 in this section repeal, replace or in any other way affect any
23 applicable law or rule regarding the maintenance of or access
24 to financial information maintained by a licensee.

25 Sec. 138. Section 536C.2, subsection 1, Code 2011, is
26 amended to read as follows:

27 1. "*Administrator*" means the superintendent of banking,
28 ~~the superintendent of savings and loan associations or the~~
29 ~~superintendent's successor,~~ or the superintendent of credit
30 unions. However, the powers of administration and enforcement
31 of this chapter are to be exercised pursuant to section
32 536C.14.

33 Sec. 139. Section 536C.3, Code 2011, is amended to read as
34 follows:

35 **536C.3 Exemptions.**

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1 This chapter does not apply to a bank chartered under
2 chapter 524 or a bank chartered under federal law which has its
3 principal place of business located in this state, ~~a savings~~
4 ~~and loan association chartered under chapter 534 or~~ a savings
5 and loan association chartered under federal law which has its
6 principal place of business located in this state, a credit
7 union chartered under chapter 533 or a credit union chartered
8 under federal law which has its principal place of business
9 located in this state, regulated loan companies licensed under
10 chapter 536, or industrial loan companies licensed under
11 chapter 536A.

12 Sec. 140. Section 536C.14, subsection 3, Code 2011, is
13 amended by striking the subsection.

14 Sec. 141. Section 537.1108, subsection 2, Code 2011, is
15 amended to read as follows:

16 2. This chapter does not displace limitations on powers of
17 credit unions, savings ~~and loan~~ associations, or other thrift
18 institutions whether organized for the profit of shareholders
19 or as mutual organizations.

20 Sec. 142. Section 537.1301, subsection 3, Code 2011, is
21 amended to read as follows:

22 3. "Affiliate" as used in reference to a state bank means
23 the same as defined in section 524.1101. "Affiliate" as used
24 in reference to a national banking association means the
25 same as defined in section 524.1101, except that the term
26 "national banking association" shall be substituted for the
27 term "state bank". "Affiliate" as used in reference to a
28 federally chartered or out-of-state chartered savings and
29 loan association shall mean the same as defined in 12 C.F.R.
30 § 561.4.

31 Sec. 143. Section 537.1301, subsection 44, Code 2011, is
32 amended to read as follows:

33 44. "*Supervised financial organization*" means a person,
34 other than an insurance company or other organization
35 primarily engaged in an insurance business, which is organized,

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1 chartered, or holding an authorization certificate pursuant to
2 chapter 524~~7~~ or 533, ~~or 5347~~ or pursuant to the laws of any
3 other state or of the United States which authorizes the person
4 to make loans and to receive deposits, including a savings,
5 share, certificate or deposit account, and which is subject to
6 supervision by an official or agency of this state, such other
7 state, or of the United States.

8 Sec. 144. Section 537.2301, subsection 1, Code 2011, is
9 amended to read as follows:

10 1. As used in this part, "*licensing authority*" means the
11 agency designated in chapter 524, 533, ~~5347~~ 536, or 536A to
12 issue licenses or otherwise authorize the conduct of business
13 pursuant to the respective chapter or this chapter, and
14 "*licensee*" includes any person subject to regulation by a
15 licensing authority. "*License*" includes the authorization, of
16 whatever form, to engage in the conduct regulated under those
17 chapters.

18 Sec. 145. Section 537.2305, subsection 1, Code 2011, is
19 amended to read as follows:

20 1. For the purpose of discovering violations of this chapter
21 or securing information lawfully required, the licensing
22 authority shall examine periodically at intervals the licensing
23 authority deems appropriate, but not less frequently than is
24 required for other examinations of the licensee by section
25 524.217, 533.113, ~~534.4017~~ 536.10, or 536A.15, whichever is
26 applicable, the loans, business, and records of every licensee,
27 except a licensee which has no office physically located in
28 this state and engages in no face-to-face solicitation in this
29 state. In addition, the licensing authority may at any time
30 investigate the loans, business, and records of any lender.
31 For these purposes the licensing authority shall be given free
32 and reasonable access to the offices, places of business, and
33 records of the lender.

34 Sec. 146. Section 537.2501, subsection 1, paragraph j, Code
35 2011, is amended to read as follows:

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1 *j.* For a consumer loan where the amount financed does not
2 exceed three thousand dollars and the term of the loan does
3 not exceed twelve months, a bank, ~~savings bank, savings and~~
4 ~~loan association, or~~ credit union incorporated pursuant to
5 state or federal law, or a federally chartered or out-of-state
6 chartered savings bank or savings and loan association may
7 charge an additional application fee not to exceed the lesser
8 of ten percent of the amount financed or thirty dollars. If
9 the loan is not approved, the application fee shall not exceed
10 the lesser of ten percent of the amount applied for by the
11 applicant or thirty dollars. The fee permitted pursuant to
12 this paragraph shall not be charged in connection with a loan
13 used for the purchase of a motor vehicle, or for a loan where
14 the borrower's dwelling is used as security.

15 Sec. 147. Section 537.6105, subsection 1, Code 2011, is
16 amended to read as follows:

17 1. With respect to supervised financial organizations
18 subject to regulation under ~~chapters~~ chapter 524, or 533 and
19 ~~534~~, and persons licensed under chapters 536 and 536A, the
20 powers of examination and investigation as provided in sections
21 537.2305 and 537.6106, and administrative enforcement as
22 provided in sections 537.2303 and 537.6108, shall be exercised
23 by the official or agency to whose supervision the person is
24 subject. All other powers of the administrator under this
25 chapter may be exercised by the administrator with respect
26 to such persons. In all actions or other court proceedings
27 brought to enforce this chapter, the attorney general or the
28 attorney general's designee shall participate.

29 Sec. 148. Section 537.6201, Code 2011, is amended to read
30 as follows:

31 **537.6201 Applicability.**

32 This part applies to all of the following:

33 1. Creditors engaged in consumer credit transactions
34 and acts, practices or conduct involving consumer credit
35 transactions to which this chapter applies pursuant to section

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1 537.1201, but not to those licensed, certificated, or otherwise
2 authorized to engage in business by chapter 524, 533, ~~534~~, 536
3 or 536A.

4 2. Debt collectors, as defined in section 537.7102,
5 subsection 5, to whose acts, practices, or conduct this
6 chapter applies pursuant to section 537.1201 if the total
7 debt collected by a debt collector in the preceding calendar
8 year exceeds twenty-five thousand dollars, or if not, if the
9 total debt collected during the current calendar year exceeds
10 twenty-five thousand dollars, but this part does not apply to
11 those licensed, certified, or otherwise authorized to engage in
12 business under chapter 524, 533, ~~534~~, 536, or 536A.

13 Sec. 149. Section 537.7103, subsection 4, paragraph b,
14 subparagraph (2), Code 2011, is amended to read as follows:

15 (2) Communications issued directly by a state bank as
16 defined in section 524.103 or its affiliate, a state bank
17 chartered under the laws of any other state or its affiliate, a
18 national banking association or its affiliate, a trust company,
19 a federally chartered savings and loan association or savings
20 bank or its affiliate, an out-of-state chartered savings and
21 loan association or savings bank or its affiliate, a financial
22 institution chartered by the federal home loan bank board, ~~an~~
23 ~~association incorporated or authorized to do business under~~
24 ~~chapter 534~~, a state or federally chartered credit union, a
25 credit union service organization, or a company or association
26 organized or authorized to do business under chapter 515, 518,
27 518A, or 520, or an officer, employee, or agent of such company
28 or association, provided the communication does not deceptively
29 conceal its origin or its purpose.

30 Sec. 150. Section 543B.46, subsections 1, 2, and 3, Code
31 2011, are amended to read as follows:

32 1. Each real estate broker shall maintain a common trust
33 account in a bank, a savings ~~and loan~~ association, ~~savings~~
34 ~~bank~~, or credit union for the deposit of all down payments,
35 earnest money deposits, or other trust funds received by the

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1 broker or the broker's salespersons on behalf of the broker's
2 principal, except that a broker acting as a salesperson shall
3 deposit these funds in the common trust account of the broker
4 for whom the broker acts as salesperson. The account shall
5 be an interest-bearing account. The interest on the account
6 shall be transferred quarterly to the treasurer of state and
7 transferred to the Iowa finance authority for deposit in the
8 housing trust fund established in section 16.181 unless there
9 is a written agreement between the buyer and seller to the
10 contrary. The broker shall not benefit from interest received
11 on funds of others in the broker's possession.

12 2. Each broker shall notify the real estate commission of
13 the name of each bank or savings ~~and loan~~ association in which
14 a trust account is maintained and also the name of the account
15 on forms provided therefor.

16 3. Each broker shall authorize the real estate commission to
17 examine each trust account and shall obtain the certification
18 of the bank or savings ~~and loan~~ association attesting to each
19 trust account and consenting to the examination and audit
20 of each account by a duly authorized representative of the
21 commission. The certification and consent shall be furnished
22 on forms prescribed by the commission. This subsection does
23 not apply to an individual farm account maintained in the
24 name of the owner or owners for the purpose of conducting
25 ongoing farm business whether it is conducted by the farm owner
26 or by an agent or farm manager when the account is part of
27 a farm management agreement between the owner and agent or
28 manager. This subsection also does not apply to an individual
29 property management account maintained in the name of the
30 owner or owners for the purpose of conducting ongoing property
31 management whether it is conducted by the property owner or
32 by an agent or manager when the account is part of a property
33 management agreement between the owner and agent or manager.

34 Sec. 151. Section 546.3, subsection 1, Code 2011, is amended
35 to read as follows:



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1 1. The banking division shall regulate and supervise banks
2 under chapter 524, debt management licensees under chapter
3 533A, money services under chapter 533C, delayed deposit
4 services under chapter 533D, ~~savings and loan associations~~
5 ~~under chapter 534~~, mortgage bankers and brokers under
6 chapter 535B, regulated loan companies under chapter 536, and
7 industrial loan companies under chapter 536A, and shall perform
8 other duties assigned to the division by law. The division
9 is headed by the superintendent of banking who is appointed
10 pursuant to section 524.201. The state banking council
11 shall render advice within the division when requested by the
12 superintendent.

13 Sec. 152. Section 551A.4, subsection 1, paragraph a, Code
14 2011, is amended to read as follows:

15 a. The offer or sale of a business opportunity if the
16 purchaser is a bank, federally chartered savings and loan
17 association, trust company, insurance company, credit union,
18 or investment company as defined by the federal Investment
19 Company Act of 1940, a pension or profit-sharing trust, or
20 other financial institution or institutional buyer, or a
21 broker-dealer registered pursuant to chapter 502, whether the
22 purchaser is acting for itself or in a fiduciary capacity.

23 Sec. 153. Section 556.1, subsections 1 and 4, Code 2011, are
24 amended to read as follows:

25 1. "*Banking organization*" means any bank, trust company,
26 savings bank, savings association, industrial bank, land bank,
27 safe deposit company, or a private banker engaged in business
28 in this state.

29 4. "*Financial organization*" means any ~~savings and loan~~
30 ~~association, building and loan association,~~ federally chartered
31 savings and loan association, credit union, cooperative bank or
32 investment company, engaged in business in this state.

33 Sec. 154. Section 636.23, subsections 10 and 14, Code 2011,
34 are amended to read as follows:

35 10. ~~Building and loan~~ Savings associations. Shares

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1 of ~~building and loan associations and savings and loan~~
2 ~~associations, incorporated under the laws of Iowa and in shares~~
3 of federal savings and loan associations organized under the
4 laws of the United States of America.

5 14. *Limitation as to court-approved investments.* This
6 section does not prohibit investment of such funds in a savings
7 account or time certificate of deposit of a bank or savings
8 ~~and loan~~ association located within the city or its county of
9 this state and when first approved by the court. However, a
10 city that is the trustee of a cemetery as provided in section
11 523I.508 may invest perpetual care funds in a savings account
12 or certificates of deposit at a bank ~~or savings and loan~~
13 ~~association~~ located in this state without court approval.

14 Sec. 155. Section 636.45, subsection 1, unnumbered
15 paragraph 1, Code Supplement 2011, is amended to read as
16 follows:

17 Insurance companies, savings ~~and loan~~ associations,
18 trustees, guardians, executors, administrators, and other
19 fiduciaries, the state and its political subdivisions, and
20 institutions and agencies thereof, and all other persons,
21 associations, and corporations:

22 Sec. 156. Section 636.45, subsection 2, Code Supplement
23 2011, is amended to read as follows:

24 2. It shall be lawful for insurance companies, savings
25 ~~and loan~~ associations, trustees, guardians, executors,
26 administrators, and other fiduciaries, the state and its
27 political subdivisions, and institutions and agencies thereof,
28 and all other persons, associations, and corporations, subject
29 to the laws of this state, to originate real estate loans
30 which are guaranteed or insured by the secretary of the United
31 States department of veterans affairs under the provisions of
32 38 U.S.C. § 3701 et seq., and originate loans secured by real
33 property or leasehold, as the federal housing administrator
34 insures or makes a commitment to insure pursuant to Tit. II of
35 the National Housing Act (1934), and may obtain such insurance

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1 and may invest their funds, and the moneys in their custody or
2 possession, eligible for investment, in bonds and notes secured
3 by mortgage or trust deed insured by the federal housing
4 administrator, and in the debentures issued by the federal
5 housing administrator pursuant to Tit. II of the National
6 Housing Act (1934), and in securities issued by national
7 mortgage associations or similar credit institutions now or
8 hereafter organized under Tit. III of the National Housing
9 Act (1934), and in real estate loans which are guaranteed or
10 insured by the secretary of the United States department of
11 veterans affairs under the provisions of 38 U.S.C. § 3701 et
12 seq.

13 Sec. 157. REPEAL. Chapter 534, Code and Code Supplement
14 2011, is repealed.

15 EXPLANATION

16 This bill relates to matters under the purview of the banking
17 division of the department of commerce.

18 MUTUAL OWNERSHIP FOR STATE BANKS. Division I of the bill
19 authorizes mutual ownership for state chartered banks and state
20 holding companies. The division defines a "mutual corporation"
21 as a corporation that is incorporated on a mutual ownership
22 basis pursuant to Code chapter 524 as amended by the division,
23 or converted to become subject to the Code chapter, and which
24 does not have authority to issue capital stock. The division
25 defines a "mutual holding company" as a bank holding company
26 that is a mutual corporation or that owns or controls a mutual
27 corporation. The division authorizes the superintendent of
28 banking to adopt rules to ensure that a state bank incorporated
29 as a mutual corporation is operating in a safe and sound manner
30 and is subject to the superintendent's authority in the same
31 manner as a state bank incorporated as a stock corporation,
32 and makes several modifications to existing provisions in Code
33 chapter 524 to differentiate between stock corporations and
34 mutual corporations.

35 The division provides that a mutual corporation, a mutual

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1 holding company, a federal mutual association, or a federal
2 mutual holding company may convert into a stock corporation
3 that is either a state bank or a state bank mutual bank holding
4 company upon approval of the superintendent. An application
5 for approval of the conversion shall include submission of
6 articles of conversion, a business plan addressing factors
7 prescribed by the superintendent, proof of publication of a
8 notice of conversion, and applicable filing and recording fees.

9 The division provides that a state bank may be owned,
10 directly or indirectly, by a mutual bank holding company.
11 The division authorizes a mutual holding company authorized
12 pursuant to specified federal regulations to convert to a
13 mutual bank holding company. The division also authorizes a
14 mutual corporation to reorganize as a mutual holding company as
15 prescribed in specified federal regulations, which would then
16 be regarded as a mutual bank holding company subject to Code
17 chapter 524. The division states that a mutual bank holding
18 company shall also be subject to Code chapter 490, the Iowa
19 business corporations Act, and provides that if a provision
20 of the Iowa business corporations Act conflicts with the
21 provisions of Code chapter 524 or a rule of the superintendent,
22 the provisions of Code chapter 524 or rule shall control.

23 The division authorizes the superintendent to adopt rules
24 pursuant to Code chapter 17A pertaining to mutual bank holding
25 companies and reorganizations into mutual bank holding
26 companies.

27 Division I takes effect upon enactment.

28 MISCELLANEOUS PROVISIONS. Division II of the bill
29 provides exemptions from provisions governing loans and other
30 transactions between a state bank and affiliates of the bank
31 contained in Code section 524.1102. The division authorizes
32 a state bank to own federal home loan bank shares in an amount
33 exceeding 15 percent of the state bank's aggregate capital,
34 but not exceeding 25 percent of the state bank's aggregate
35 capital, if the ownership of shares exceeding 15 percent

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1 is needed to support the state bank's participation in the
2 federal home loan bank's acquired member assets program as
3 provided for in 12 C.F.R. pt. 955. The division states that
4 the superintendent may, in the superintendent's discretion, by
5 regulation or order, exempt transactions or relationships from
6 the requirements of that Code section if the superintendent
7 finds such exemptions to be in the public interest and
8 consistent with the purposes of the Code section. The division
9 provides that a state bank may request an exemption from the
10 requirements of Code section 524.1102 by submitting a written
11 request to the superintendent including a detailed description
12 of the transaction or relationship for which the state bank
13 seeks the exemption, a statement of the reasons for exemption
14 of the transaction or relationship, and an explanation of how
15 the exemption would be in the public interest and consistent
16 with the purposes of the Code section.

17 The division also modifies provisions relating to the
18 involuntary dissolution of a state bank. The division
19 eliminates the option of the superintendent applying to
20 the district court for the county in which the state bank
21 is located for appointment as receiver for the state bank,
22 providing instead that the superintendent shall tender the
23 receivership to the federal deposit insurance corporation. The
24 division states that thereafter the affairs of the state bank
25 shall be governed by specified sections of Code chapter 524,
26 and by the provisions of federal law, and shall be subject
27 to federal court jurisdiction. The division specifies that
28 federal law shall govern in the event of a conflict between
29 state and federal law provisions.

30 The division provides that under the receivership, the
31 rights of depositors and other creditors of the insured state
32 bank shall be determined in accordance with Iowa law, and that
33 the federal deposit insurance corporation as receiver shall
34 possess all the powers, rights, and privileges provided under
35 Code section 524.1311, except insofar as that Code section



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1 may be in conflict with the laws of the United States. The
2 division also provides that if the federal deposit insurance
3 corporation pays or makes available for payment the insured
4 deposit liabilities of an insured state bank, the federal
5 deposit insurance corporation shall be subrogated by operation
6 of law to all rights against such insured state bank of
7 the owners of such deposits in the same manner and to the
8 same extent as subrogation of the federal deposit insurance
9 corporation is provided for in applicable federal law in the
10 case of a national bank. These provisions are currently
11 contained in Code section 524.1313, which applied if the
12 superintendent had optionally designated the federal deposit
13 insurance corporation as receiver, rather than as mandated by
14 the division. Accordingly, that Code section is repealed.

15 The division makes conforming changes relating to the
16 federal deposit insurance corporation being appointed as
17 receiver in Code section 524.1311 relating to receivership
18 procedures. The division deletes a provision that all expenses
19 of the receivership and dissolution shall be fixed by the
20 superintendent, subject to the approval of the district court,
21 and shall be paid out of the assets of the state bank. The
22 division provides that after the involuntary dissolution, the
23 superintendent shall file notice of the dissolution with the
24 secretary of state and the county recorder of the county in
25 which the state bank is located, that no fee shall be charged
26 by the secretary of state or the county recorder for the filing
27 or recording, and that the corporate existence of the state
28 bank shall cease upon filing of the notice of dissolution
29 with the secretary of state. The division deletes provisions
30 contained in Code section 524.1311 which had related to filing
31 of a final report by the superintendent and filing of a decree
32 of dissolution by the district court.

33 The division additionally provides, with respect to
34 examinations of the books, accounts, records, and files
35 of a mortgage banker licensee, that the superintendent of

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1 banking acting as the administrator under Code chapter 535B
2 may furnish information relating to supervision of closing
3 agent licensees whose activities relate to the issuance of
4 title guaranty certificates issued by the title guaranty
5 division of the Iowa finance authority to the title guaranty
6 division. The bill states that the title guaranty division may
7 use this information to satisfy its reinsurance requirements
8 and may provide the information to its reinsurer to the
9 extent necessary to satisfy reinsurer requirements provided
10 the reinsurer agrees to maintain the confidentiality of the
11 information. The bill directs the title guaranty division to
12 maintain the confidentiality of all other information provided
13 in the course of the examination.

14 The provisions of division II regarding involuntary
15 dissolution take effect upon enactment.

16 SAVINGS AND LOAN ASSOCIATIONS. Division III of the bill
17 repeals Code chapter 534, relating to state savings and loan
18 associations. The division makes conforming changes consistent
19 with the repeal of the Code chapter. The bill additionally
20 deletes references to building and loan associations and, where
21 appropriate, to savings banks.

22 Additionally, the division replaces references in Code
23 section 12C.13 relating to deposits of public funds not
24 constituting being a shareholder, stockholder, or owner of
25 a corporation in violation of specified provisions of law
26 with references to Code chapter 524 and a mutual corporation
27 as defined in the bill. Further, the bill modifies the
28 representation of public members on boards establishing policy
29 for a central routing unit under Code section 527.9.



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Senate File 2203 - Introduced

SENATE FILE 2203
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3134)

A BILL FOR

1 An Act relating to nonsubstantive Code corrections and
2 including effective date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

NONSUBSTANTIVE CHANGES

1
2
3 Section 1. Section 6B.14, subsection 2, Code 2011, is
4 amended to read as follows:

5 2. Prior to the meeting of the commission, the commission
6 or a commissioner shall not communicate with the applicant,
7 property owner, or tenant, or their agents, regarding the
8 condemnation proceedings. The commissioners shall meet in
9 open session to view the property and to receive evidence, but
10 may deliberate in closed session. When deliberating in closed
11 session, the meeting is closed to all persons who are not
12 commissioners except for personnel from the sheriff's office
13 if such personnel ~~is~~ are requested by the commission. After
14 deliberations commence, the commission and each commissioner is
15 prohibited from communicating with any party to the proceeding.
16 However, if the commission is deliberating in closed session,
17 and after deliberations commence the commission requires
18 further information from a party or a witness, the commission
19 shall notify the property owner and the acquiring agency that
20 they are allowed to attend the meeting at which such additional
21 information shall be provided but only for that period of time
22 during which the additional information is being provided.
23 The property owner and the acquiring agency shall be given a
24 reasonable opportunity to attend the meeting. The commission
25 shall keep minutes of all its meetings showing the date, time,
26 and place, the members present, and the action taken at each
27 meeting. The minutes shall show the results of each vote taken
28 and information sufficient to indicate the vote of each member
29 present. The vote of each member present shall be made public
30 at the open session. The minutes shall be public records open
31 to public inspection.

32 Sec. 2. Section 8F.2, subsection 8, paragraph b,
33 subparagraph (8), Code 2011, is amended to read as follows:

34 (8) A contract for services provided from resources made
35 available under ~~Title~~ Tit. XVIII, XIX, or XXI of the federal

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1 Social Security Act.

2 Sec. 3. Section 10B.4, subsection 2, paragraph g, Code
3 Supplement 2011, is amended to read as follows:

4 g. If the reporting entity is a life science enterprise, as
5 provided in chapter 10C, Code 2011, as that chapter exists on
6 or before June 30, 2005, the total amount of commercial sale
7 of life science products and products other than life science
8 products which are produced from the agricultural land held by
9 the life science enterprise.

10 Sec. 4. Section 12.87, subsection 1, paragraph a, Code
11 Supplement 2011, is amended to read as follows:

12 a. The treasurer of state is authorized to issue and sell
13 bonds on behalf of the state to provide funds for certain
14 infrastructure projects and for purposes of the Iowa jobs
15 program established in section 16.194. The treasurer of state
16 shall have all of the powers which are necessary or convenient
17 to issue, sell, and secure bonds and carry out the treasurer of
18 state's duties, and exercise the treasurer of state's authority
19 under this section and sections 12.88 through 12.90. The
20 treasurer of state may issue and sell bonds in such amounts as
21 the treasurer of state determines to be necessary to provide
22 sufficient funds for certain infrastructure projects and the
23 revenue bonds capitals fund, the revenue bonds capitals II
24 fund, the payment of interest on the bonds, the establishment
25 of reserves to secure the bonds, the payment of costs of
26 issuance of the bonds, the payment of other expenditures of
27 the treasurer of state incident to and necessary or convenient
28 to carry out the issuance and sale of the bonds, and the
29 payment of all other expenditures of the treasurer of state
30 necessary or convenient to administer the funds and to carry
31 out the purposes for which the bonds are issued and sold. The
32 treasurer of state may issue and sell bonds as provided in
33 paragraph "b" in one or more series on the terms and conditions
34 the treasurer of state determines to be in the best interest of
35 the state, in accordance with this section in such amounts as

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1 the treasurer of state determines to be necessary to fund the
2 purposes for which such bonds are issued and sold ~~as follows:~~.

3 Sec. 5. Section 15.104, subsection 3, unnumbered paragraph
4 1, Code Supplement 2011, is amended to read as follows:

5 Review and approve or disapprove a life science enterprise
6 plan or amendments to that plan as provided in chapter 10C,
7 Code 2011, and according to rules adopted by the board. A
8 life science plan shall make a reasonable effort to provide
9 for participation by persons who are individuals or family
10 farm entities actively engaged in farming as defined in
11 section 10.1. The persons may participate in the life science
12 enterprise by holding an equity position in the life science
13 enterprise or providing goods or service to the enterprise
14 under contract. The plan must be filed with the board not
15 later than June 30, 2005. The life science enterprise may file
16 an amendment to a plan at any time. A life science enterprise
17 is not eligible to file a plan, unless the life science
18 enterprise files a notice with the board. The notice shall be
19 a simple statement indicating that the life science enterprise
20 may file a plan as provided in this section. The notice must be
21 filed with the board not later than June 1, 2005. The notice,
22 plan, or amendments shall be submitted by a life science
23 enterprise as provided by the board. The board shall consult
24 with the department of agriculture and land stewardship during
25 its review of a life science plan or amendments to that plan.
26 The plan shall include information regarding the life science
27 enterprise as required by rules adopted by the board, including
28 but not limited to all of the following:

29 Sec. 6. Section 15.117A, subsection 6, paragraph b, Code
30 Supplement 2011, is amended to read as follows:

31 b. Review annually all of the economic development programs
32 administered by the authority and the board that relate to the
33 targeted industries and make recommendations for adjustments
34 that enhance efficiency and effectiveness. In reviewing the
35 programs, the council shall, to the greatest extent possible,

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1 utilize economic development data and research in order to make
2 objective, fact-based recommendations.

3 Sec. 7. Section 15.247, subsection 8, paragraphs c and d,
4 Code Supplement 2011, are amended to read as follows:

5 c. A person within the third degree of consanguinity of an
6 employee of the authority, a person within the third degree
7 of consanguinity of a member of the targeted small business
8 financial assistance board or member's relative, or a business
9 with any financial ties to a member shall not be eligible for
10 financial assistance under the program during the employee's
11 employment or the member's tenure on the board, as applicable.

12 d. Members shall serve ~~two-year~~ two-year terms and may be
13 reappointed. A member shall not serve more than two terms.

14 ~~d.~~ e. The targeted small business financial assistance
15 board shall consider all applications for financial assistance
16 under the program submitted on or after July 1, 2007.

17 Sec. 8. Section 15A.9, subsection 1, paragraph b, Code
18 Supplement 2011, is amended to read as follows:

19 b. (1) In order to assist a community or communities
20 located within the state to secure new industrial manufacturing
21 jobs, the state of Iowa makes economic development assistance
22 available within the zone or zones, and the department of
23 economic development shall designate a site or sites, which
24 shall not be larger than two thousand five hundred acres,
25 within thirty days of March 4, 1994, as a quality jobs
26 enterprise zone or zones for the purpose of attracting a
27 primary business and supporting businesses to locate facilities
28 within the state.

29 (2) The primary business or a supporting business shall not
30 be prohibited from participating in or receiving other economic
31 development programs or services or electing to utilize other
32 tax provisions to the extent authorized elsewhere by law.

33 Sec. 9. Section 34A.15, subsection 1, paragraphs c, e, and
34 h, Code Supplement 2011, are amended to read as follows:

35 c. One person appointed by the Iowa ~~association of chiefs of~~

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1 ~~police and peace officers association.~~

2 e. One person appointed by the Iowa ~~association of~~
3 professional fire fighters.

4 h. One person appointed by the Iowa chapter of the
5 association of ~~public safety~~ public-safety communications
6 officials-international, inc.

7 Sec. 10. Section 80B.11A, Code 2011, is amended to read as
8 follows:

9 **80B.11A Jailer training standards.**

10 The director of the academy, subject to the approval of
11 the council, and in consultation with the Iowa department of
12 corrections, Iowa state sheriffs' and deputies' association,
13 and the Iowa ~~association of chiefs of police and peace officers~~
14 association, shall adopt rules in accordance with this chapter
15 and chapter 17A establishing minimum standards for training of
16 jailers.

17 Sec. 11. Section 80B.11C, Code 2011, is amended to read as
18 follows:

19 **80B.11C Telecommunicator training standards.**

20 The director of the academy, subject to the approval of
21 the council, in consultation with the Iowa state sheriffs'
22 and deputies' association, the Iowa police executive forum,
23 the Iowa ~~association of chiefs of police and peace officers~~
24 association, the Iowa state police association, the Iowa
25 ~~association of~~ professional fire fighters, the Iowa emergency
26 medical services association, the joint council of Iowa
27 fire service organizations, the Iowa department of public
28 safety, the Iowa chapter of the association of ~~public safety~~
29 public-safety communications officials-international, inc., the
30 Iowa chapter of the national emergency number association, the
31 homeland security and emergency management division of the Iowa
32 department of public defense, and the Iowa department of public
33 health, shall adopt rules pursuant to chapter 17A establishing
34 minimum standards for training of telecommunicators. For
35 purposes of this section, "telecommunicator" means a person who

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1 receives requests for, or dispatches requests to, emergency
2 response agencies which include, but are not limited to, law
3 enforcement, fire, rescue, and emergency medical services
4 agencies.

5 Sec. 12. Section 80E.2, subsection 1, paragraph m, Code
6 2011, is amended to read as follows:

7 m. A member representing the Iowa ~~association of chiefs of~~
8 ~~police and peace officers~~ association.

9 Sec. 13. Section 80E.2, subsection 2, Code 2011, is amended
10 to read as follows:

11 2. The prosecuting attorney, licensed substance abuse
12 treatment specialist, certified substance abuse prevention
13 specialist, substance abuse treatment program director, member
14 representing the Iowa ~~association of chiefs of police and~~
15 ~~peace officers~~ association, member representing the Iowa state
16 police association, and the member representing the Iowa state
17 sheriffs' and deputies' association shall be appointed by the
18 governor, subject to senate confirmation, for four-year terms
19 beginning and ending as provided in section 69.19. A vacancy
20 on the council shall be filled for the unexpired term in the
21 same manner as the original appointment was made.

22 Sec. 14. Section 96.21, Code 2011, is amended to read as
23 follows:

24 **96.21 Termination.**

25 If at any time ~~Title~~ Tit. IX of the Social Security Act,
26 as amended, shall be amended or repealed by Congress or held
27 unconstitutional by the supreme court of the United States,
28 with the result that no portion of the contributions required
29 under this chapter may be credited against the tax imposed
30 by said ~~Title~~ Tit. IX, in any such event the operation of
31 the provisions of this chapter requiring the payment of
32 contributions and benefits shall immediately cease, the
33 department shall thereupon requisition from the unemployment
34 trust fund all moneys therein standing to its credit, and such
35 moneys, together with any other moneys in the unemployment

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1 compensation fund shall be refunded, without interest and under
2 regulations prescribed by the department, to each employer
3 by whom contributions have been paid, proportionately to the
4 employer's pro rata share of the total contributions paid under
5 this chapter. Any interest or earnings of the fund shall be
6 available to the department to pay for the costs of making such
7 refunds. When the department shall have executed the duties
8 prescribed in this section and performed such other acts as are
9 incidental to the termination of its duties under this chapter,
10 the provisions of this chapter, in their entirety, shall cease
11 to be operative.

12 Sec. 15. Section 96.27, Code 2011, is amended to read as
13 follows:

14 **96.27 Approval of attorney general.**

15 An agreement made for the purchase or other acquisition of
16 the premises mentioned in section 96.25 ~~of this section~~ with
17 funds granted or credited to this state for such purpose under
18 the Social Security Act or the Wagner-Peyser Act shall be
19 subject to the approval of the attorney general of the state of
20 Iowa as to form and as to title thereto.

21 Sec. 16. Section 97C.5, Code 2011, is amended to read as
22 follows:

23 **97C.5 Tax on employees.**

24 Every employee whose services are covered by an agreement
25 entered into under section 97C.3 shall be required to pay
26 for the period of such coverage into the contribution fund
27 established by section 97C.12, a tax which is hereby imposed
28 with respect to wages received during the calendar year of
29 1953, equal to such percentum of the wages received by the
30 employee as imposed by Social Security Act, Title Tit. II,
31 as such Act has been and may from time to time be amended.
32 Such payment shall be considered a condition of employment
33 as a public employee. Taxes deducted from the wages of the
34 employee by the employer and taxes imposed upon the employer
35 shall be forwarded to the state agency for recording and shall

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1 be deposited with the treasurer of state to the credit of
2 the contribution fund established by section 97C.12 of this
3 chapter.

4 Sec. 17. Section 97C.10, Code 2011, is amended to read as
5 follows:

6 **97C.10 Tax on employer.**

7 In addition to all other taxes there is hereby imposed upon
8 each employer as defined in section 97C.2, subsection 2, a
9 tax equal to such percentum of the wages paid by the employer
10 to each employee as imposed by the Social Security Act, Title
11 Tit. II, as such Act has been and may from time to time be
12 amended. The employer shall pay its tax or contribution from
13 funds available and is directed to pay same from tax money or
14 from any other income available. The political subdivision is
15 hereby authorized and directed to levy in addition to all other
16 taxes a property tax sufficient to meet its obligations under
17 the provisions of this chapter, if such tax levy is necessary
18 because other funds are not available.

19 Sec. 18. Section 97C.15, Code 2011, is amended to read as
20 follows:

21 **97C.15 Payments to secretary of treasury.**

22 From the contribution fund the custodian of the fund shall
23 pay to the secretary of the treasury of the United States such
24 amounts and at such time or times as may be directed by the
25 state agency in accordance with any agreement entered into
26 under section 97C.3 and the Social Security Act, Title Tit. II.

27 Sec. 19. Section 99D.11, subsections 2 and 3, Code
28 Supplement 2011, are amended to read as follows:

29 2. Licensees shall only permit the pari-mutuel or
30 certificate method of wagering, or the ~~advanced~~ advance deposit
31 method of wagering, as defined in this section.

32 3. The licensee may receive wagers of money only from a
33 person present in a licensed racetrack enclosure on a horse
34 or dog in the race selected by the person making the wager to
35 finish first in the race or from a person engaging in ~~advanced~~

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1 advance deposit wagering as defined in this section. The
2 person wagering shall acquire an interest in the total money
3 wagered on all horses or dogs in the race as first winners in
4 proportion to the amount of money wagered by the person.

5 Sec. 20. Section 99D.11, subsection 6, paragraph c, Code
6 Supplement 2011, is amended to read as follows:

7 c. (1) The commission shall authorize the licensee of the
8 horse racetrack located in Polk county to conduct ~~advanced~~
9 advance deposit wagering. An ~~advanced~~ advance deposit wager
10 may be placed in person at a licensed racetrack enclosure, or
11 from any other location via a telephone-type device or any
12 other electronic means. The commission may also issue an
13 ~~advanced~~ advance deposit wagering operator license to an entity
14 who complies with subparagraph (3) and section 99D.8A.

15 (2) For the purposes of this section, ~~"advanced deposit~~
16 ~~wagering"~~ "advance deposit wagering" means a method of
17 pari-mutuel wagering in which an individual may establish
18 an account, deposit money into the account, and use the
19 account balance to pay for pari-mutuel wagering. Of the net
20 revenue, less all taxes paid and expenses directly related to
21 account deposit wagering incurred by the licensee of the horse
22 racetrack located in Polk county, received through ~~advanced~~
23 advance deposit wagering, fifty percent shall be designated for
24 the horse purses created pursuant to section 99D.7, subsection
25 5, and fifty percent shall be designated for the licensee for
26 the pari-mutuel horse racetrack located in Polk county.

27 (3) Before granting an ~~advanced~~ advance deposit wagering
28 operator license to an entity other than the licensee of
29 the horse racetrack located in Polk county, the commission
30 shall enter into an agreement with the licensee of the
31 horse racetrack located in Polk county, the Iowa horsemen's
32 benevolent and protective association, and the prospective
33 ~~advanced~~ advance deposit wagering operator for the purpose
34 of determining the payment of statewide source market fees
35 and the host fees to be paid on all races subject to ~~advanced~~



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1 advance deposit wagering. The commission shall establish the
2 term of such an ~~advanced~~ advance deposit wagering operator
3 license. Such an ~~advanced~~ advance deposit wagering operator
4 licensee shall accept wagers on live races conducted at the
5 horse racetrack in Polk county from all of its account holders
6 if it accepts wagers from any residents of this state.

7 (4) An unlicensed ~~advanced~~ advance deposit wagering
8 operator or an individual taking or receiving wagers from
9 residents of this state on races conducted at the horse
10 racetrack located in Polk county is guilty of a class "D"
11 felony.

12 (5) For the purposes of this paragraph "~~c~~", "~~advanced~~
13 ~~deposit wagering operator~~" "advance deposit wagering operator"
14 means an ~~advanced~~ advance deposit wagering operator licensed
15 by the commission who has entered into an agreement with the
16 licensee of the horse racetrack in Polk county and the Iowa
17 horsemen's benevolent and protective association to provide
18 ~~advanced~~ advance deposit wagering.

19 Sec. 21. Section 100B.1, subsection 1, paragraph a,
20 subparagraph (1), subparagraph division (c), Code Supplement
21 2011, is amended to read as follows:

22 (c) Two members from a list submitted by the Iowa
23 ~~association of professional fire fighters.~~

24 Sec. 22. Section 105.2, subsection 8, Code Supplement 2011,
25 is amended to read as follows:

26 8. "~~Hydronic~~" means a heating or cooling system that
27 transfers heating or cooling by circulating fluid through
28 a closed system, including boilers, pressure vessels,
29 ~~refrigerated~~ refrigeration equipment in connection with chilled
30 water systems, all steam piping, hot or chilled water piping
31 together with all control devices and accessories, installed as
32 part of, or in connection with, any heating or cooling system
33 or appliance using a liquid, water, or steam as the heating
34 or cooling media. "~~Hydronic~~" includes all low-pressure and
35 high-pressure systems and all natural, propane, liquid propane,

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1 or other gas lines associated with any component of a hydronic
2 system.

3 Sec. 23. Section 124.401, subsection 4, paragraph e, Code
4 Supplement 2011, is amended to read as follows:

5 e. Red ~~phosphorous~~ phosphorus.

6 Sec. 24. Section 135.105, subsection 1, Code 2011, is
7 amended to read as follows:

8 1. Coordinate the childhood lead poisoning prevention
9 program with the department of natural resources, the
10 university of Iowa poison control program, the mobile and
11 regional child health ~~speciality~~ specialty clinics, and any
12 agency or program known for a direct interest in lead levels
13 in the environment.

14 Sec. 25. Section 135.159, subsection 2, paragraph a,
15 subparagraph (9), Code Supplement 2011, is amended to read as
16 follows:

17 (9) A representative of the ~~governor's~~ Iowa developmental
18 disabilities council.

19 Sec. 26. Section 161G.3, subsection 3, paragraph a, Code
20 2011, is amended to read as follows:

21 a. Provide for conservation systems that manage and optimize
22 nitrogen and ~~phosphorous~~ phosphorus within fields to minimize
23 runoff and reduce downstream nutrient loading.

24 Sec. 27. Section 162.20, subsection 5, paragraph c, Code
25 2011, is amended to read as follows:

26 c. The transfer of a dog or cat to a research facility as
27 defined in section 162.2 or a person licensed by the United
28 States department of agriculture as a class B dealer pursuant
29 to 9 C.F.R. ch. 1, subch. A, pt. 2. However, a class B dealer
30 who receives an unsterilized dog or cat from a pound or animal
31 shelter shall either sterilize the dog or cat or transfer the
32 unsterilized dog or cat to a research facility provided in this
33 paragraph. The class B dealer shall not transfer a dog to a
34 research facility if the dog is a greyhound registered with the
35 national greyhound association and the dog raced at a track

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1 associated with pari-mutuel racing unless the class B dealer
2 receives written approval of the transfer from a person who
3 owned an interest in the dog while the dog was racing.

4 Sec. 28. Section 225B.3, subsection 1, paragraphs b, c, and
5 d, Code 2011, are amended to read as follows:

6 b. Three providers of disability prevention services,
7 recommended by the ~~governor's~~ Iowa developmental disabilities
8 council, appointed by the governor, and confirmed by the
9 senate.

10 c. Three persons with expertise in priority prevention
11 areas, recommended by the ~~governor's~~ Iowa developmental
12 disabilities council, appointed by the governor, and confirmed
13 by the senate.

14 d. Three persons with disabilities or family members of a
15 person with disabilities, recommended by the ~~governor's~~ Iowa
16 developmental disabilities council, appointed by the governor
17 and confirmed by the senate.

18 Sec. 29. Section 225C.6, subsection 1, paragraph k, Code
19 Supplement 2011, is amended to read as follows:

20 k. Coordinate activities with the ~~governor's~~ Iowa
21 developmental disabilities council and the mental health
22 planning council, created pursuant to federal law. The
23 commission shall work with other state agencies on
24 coordinating, collaborating, and communicating concerning
25 activities involving persons with disabilities.

26 Sec. 30. Section 231E.4, subsection 3, paragraph e, Code
27 2011, is amended to read as follows:

28 e. Work with the department of human services, the Iowa
29 department of public health, the ~~governor's~~ Iowa developmental
30 disabilities council, and other agencies to establish a
31 referral system for the provision of substitute decision-making
32 services.

33 Sec. 31. Section 241.3, subsection 2, Code 2011, is amended
34 to read as follows:

35 2. The department shall consult and cooperate with the

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1 department of workforce development, the United States
2 commissioner of social security administration, the ~~division~~
3 ~~of~~ office on the status of women of the department of human
4 rights, the department of education, and other persons in the
5 executive branch of the state government as the department
6 considers appropriate to facilitate the coordination of
7 multipurpose service programs established under this chapter
8 with existing programs of a similar nature.

9 Sec. 32. Section 249A.4B, subsection 2, paragraph a,
10 subparagraph (39), Code Supplement 2011, is amended to read as
11 follows:

12 (39) The ~~governor's~~ Iowa developmental disabilities
13 council.

14 Sec. 33. Section 256.32, subsection 2, paragraph c, Code
15 Supplement 2011, is amended to read as follows:

16 c. The current postsecondary agriculture ~~students~~ student
17 organization of Iowa president.

18 Sec. 34. Section 256.35A, subsection 2, paragraph b, Code
19 2011, is amended to read as follows:

20 b. In addition, representatives of the department of
21 education, the division of vocational rehabilitation of the
22 department of education, the department of public health, the
23 department of human services, the ~~governor's~~ Iowa developmental
24 disabilities council, the division of insurance of the
25 department of commerce, and the state board of regents shall
26 serve as ex officio members of the advisory council. Ex
27 officio members shall work together in a collaborative manner
28 to serve as a resource to the advisory council. The council
29 may also form workgroups as necessary to address specific
30 issues within the technical purview of individual members.

31 Sec. 35. Section 256C.5, subsection 2, paragraph a, Code
32 Supplement 2011, is amended to read as follows:

33 a. For the initial school year for which a school district
34 approved to participate in the preschool program receives that
35 approval and implements the preschool program, the funding for

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1 the preschool foundation aid payable to that school district
2 shall be paid from the appropriation made for that school year
3 in section 256C.6, Code 2011, or in another appropriation
4 made for purposes of this chapter. For that school year, the
5 preschool foundation aid payable to the school district is
6 the product of the regular program state cost per pupil for
7 the school year multiplied by sixty percent of the school
8 district's eligible student enrollment on the date in the
9 school year determined by rule.

10 Sec. 36. Section 260H.2, Code Supplement 2011, is amended
11 to read as follows:

12 **260H.2 Pathways for academic career and employment program.**

13 A pathways for academic career and employment program is
14 established to provide funding to community colleges for the
15 development of projects in coordination with the economic
16 development authority, the department of education, ~~Iowa the~~
17 department of workforce development, regional advisory boards
18 established pursuant to section 84A.4, and community partners
19 to implement a simplified, streamlined, and comprehensive
20 process, along with customized support services, to enable
21 eligible participants to acquire effective academic and
22 employment training to secure gainful, quality, in-state
23 employment.

24 Sec. 37. Section 260H.8, Code Supplement 2011, is amended
25 to read as follows:

26 **260H.8 Rules.**

27 The department of education, in consultation with the
28 community colleges, the economic development authority, and
29 ~~Iowa the department of~~ workforce development, shall adopt
30 rules pursuant to chapter 17A and this chapter to implement
31 the provisions of this chapter. Regional advisory boards
32 established pursuant to section 84A.4 shall be consulted in the
33 development and implementation of rules to be adopted pursuant
34 to this chapter.

35 Sec. 38. Section 273.2, subsection 3, Code Supplement 2011,

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1 is amended to read as follows:

2 3. The area education agency board shall furnish
3 educational services and programs as provided in sections
4 273.1, this section, sections 273.3 to 273.9, and chapter 256B
5 to the pupils enrolled in public or nonpublic schools located
6 within its boundaries which are on the list of accredited
7 schools pursuant to section 256.11. The programs and services
8 provided shall be at least commensurate with programs and
9 services existing on July 1, 1974. The programs and services
10 provided to pupils enrolled in nonpublic schools shall be
11 comparable to programs and services provided to pupils enrolled
12 in public schools within constitutional guidelines.

13 Sec. 39. Section 273.3, subsections 2 and 12, Code
14 Supplement 2011, are amended to read as follows:

15 2. Be authorized to receive and expend money for providing
16 programs and services as provided in sections 273.1, 273.2,
17 this section, sections 273.4 to 273.9, and chapters 256B
18 and 257. All costs incurred in providing the programs and
19 services, including administrative costs, shall be paid from
20 funds received pursuant to sections 273.1 to 273.9 and chapters
21 256B and 257.

22 12. Prepare an annual budget estimating income and
23 expenditures for programs and services as provided in sections
24 273.1, 273.2, this section, sections 273.4 to 273.9, and
25 chapter 256B within the limits of funds provided under section
26 256B.9 and chapter 257. The board shall give notice of a
27 public hearing on the proposed budget by publication in an
28 official county newspaper in each county in the territory
29 of the area education agency in which the principal place
30 of business of a school district that is a part of the area
31 education agency is located. The notice shall specify the
32 date, which shall be not later than March 1 of each year, the
33 time, and the location of the public hearing. The proposed
34 budget as approved by the board shall then be submitted to the
35 state board of education, on forms provided by the department,

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1 no later than March 15 preceding the next fiscal year for
2 approval. The state board shall review the proposed budget of
3 each area education agency and shall before April 1, either
4 grant approval or return the budget without approval with
5 comments of the state board included. An unapproved budget
6 shall be resubmitted to the state board for final approval not
7 later than April 15. For the fiscal year beginning July 1,
8 1999, and each succeeding fiscal year, the state board shall
9 give final approval only to budgets submitted by area education
10 agencies accredited by the state board or that have been given
11 conditional accreditation by the state board.

12 Sec. 40. Section 280.13C, subsection 3, Code Supplement
13 2011, is amended to read as follows:

14 3. ~~a.~~ A student who has been removed from participation
15 shall not recommence such participation until the student has
16 been evaluated by a licensed health care provider trained in
17 the evaluation and management of concussions and other brain
18 injuries and the student has received written clearance to
19 return to participation from the health care provider.

20 ~~b.~~ 4. For the purposes of this section, a ~~"licensed health~~
21 ~~care provider"~~:

22 a. "Extracurricular interscholastic activity" means any
23 extracurricular interscholastic activity, contest, or practice,
24 including sports, dance, or cheerleading.

25 b. "Licensed health care provider" means a physician,
26 physician assistant, chiropractor, advanced registered nurse
27 practitioner, nurse, physical therapist, or athletic trainer
28 licensed by a board designated under section 147.13.

29 ~~c. For the purposes of this section, an "extracurricular~~
30 ~~interscholastic activity" means any extracurricular~~
31 ~~interscholastic activity, contest, or practice, including~~
32 ~~sports, dance, or cheerleading.~~

33 Sec. 41. Section 313.3, subsection 1, paragraph d, Code
34 2011, is amended to read as follows:

35 d. All revenue accrued or accruing to the state of Iowa

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1 on or after January 26, 1949, from the sale of public lands
2 within the state, under Acts of Congress approved March 3,
3 1845, supplemental to the Act for the ~~admission~~ Admission of
4 the ~~states~~ States of Iowa and Florida into the Union, chapters
5 75 and 76 ~~{Fifth Statutes, pages 788 and 790}~~, 5 Stat. 788,
6 790, shall be placed in the primary road fund.

7 Sec. 42. Section 331.512, subsection 1, paragraph e, Code
8 2011, is amended to read as follows:

9 e. The levy for taxes for the ~~county~~ brucellosis and
10 tuberculosis eradication fund as provided in section 165.18.

11 Sec. 43. Section 331.559, subsection 2, Code 2011, is
12 amended to read as follows:

13 2. Collect the tax levied for the ~~county~~ brucellosis and
14 tuberculosis eradication fund as provided in section 165.18.

15 Sec. 44. Section 356.36, unnumbered paragraph 1, Code 2011,
16 is amended to read as follows:

17 The Iowa department of corrections, in consultation with
18 the Iowa state sheriff's association, the Iowa ~~association~~
19 ~~of chiefs of police and peace officers association~~, the
20 Iowa league of cities, and the Iowa board of supervisors
21 association, shall draw up minimum standards for the regulation
22 of jails, alternative jails, facilities established pursuant to
23 chapter 356A and municipal holding facilities. When completed
24 by the department, the standards shall be adopted as rules
25 pursuant to chapter 17A.

26 Sec. 45. Section 356.37, Code 2011, is amended to read as
27 follows:

28 **356.37 Confinement and detention report — design proposals.**

29 The division of criminal and juvenile justice planning
30 of the department of human rights, in consultation with
31 the department of corrections, the Iowa county attorneys
32 association, the Iowa state sheriff's association, the Iowa
33 ~~association of chiefs of police and peace officers association~~,
34 a statewide organization representing rural property taxpayers,
35 the Iowa league of cities, and the Iowa board of supervisors

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1 association, shall prepare a report analyzing the confinement
2 and detention needs of jails and facilities established
3 pursuant to this chapter and chapter 356A. The report for each
4 type of jail or facility shall include but is not limited to
5 an inventory of prisoner space, daily prisoner counts, options
6 for detention of prisoners with mental illness or substance
7 abuse service needs, and the compliance status under section
8 356.36 for each jail or facility. The report shall contain an
9 inventory of recent jail or facility construction projects in
10 which voters have approved the issuance of general obligation
11 bonds, essential county purpose bonds, revenue bonds, or
12 bonds issued pursuant to chapter 423B. The report shall be
13 revised periodically as directed by the administrator of the
14 division of criminal and juvenile justice planning. The first
15 submission of the report shall include recommendations on
16 offender data needed to estimate jail space needs in the next
17 two, three, and five years, on a county, geographic region, and
18 statewide basis, which may be based upon information submitted
19 pursuant to section 356.49.

20 Sec. 46. Section 403.21, subsection 3, Code Supplement
21 2011, is amended to read as follows:

22 3. The community college shall send a copy of the final
23 agreement prepared pursuant to section 260F.3 to the economic
24 development authority. For each year in which incremental
25 property taxes are used to retire debt service on a jobs
26 training advance issued for a project creating new jobs, the
27 community college shall provide to the economic development
28 authority a report of the incremental property taxes and new
29 jobs credits from withholding generated for that year, a
30 specific description of the training conducted, the number of
31 employees provided program services under the project, and the
32 median wage of employees in the new jobs in the project, and
33 the administrative costs directly attributable to the project.

34 Sec. 47. Section 410.1, unnumbered paragraph 5, Code 2011,
35 is amended to read as follows:

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1 The provisions of this chapter shall not apply to police
2 officers and fire fighters who entered employment after March
3 2, 1934, except that any police officer or fire fighter who
4 had been making payments of membership fees and assessments as
5 provided in section 410.5 prior to July 1, 1971, shall on July
6 1, 1973, be fully restored and entitled to all pension rights
7 and benefits, vested or not vested, under this chapter if the
8 city has not returned to such police officer or fire fighter
9 the membership fees and assessments paid by the police officer
10 or fire fighter prior to July 1, 1971, and if such police
11 officer or fire fighter pays to the city within six months
12 after July 1, 1973, the amount of the fees and assessments
13 that the police officer or fire fighter would have paid to the
14 police officers' or fire fighters' pension fund from July 1,
15 1971, to July 1, 1973, if 1971 Iowa Acts of the 1971 Session,
16 ~~Sixty-fourth General Assembly~~, ch. 108, had not been adopted.
17 If the membership fees and assessments paid by such police
18 officer or fire fighter prior to July 1, 1971, have been
19 returned to the police officer or fire fighter, all pension
20 rights and benefits, vested or not vested, under this chapter
21 shall be fully restored to the police officer or fire fighter
22 on July 1, 1973, if, within six months after July 1, 1973, such
23 police officer or fire fighter repays the fees and assessments
24 so returned and pays the amount of the fees and assessments to
25 the city that the police officer or fire fighter would have
26 paid to the appropriate pension fund from July 1, 1971, to
27 July 1, 1973, if 1971 Iowa Acts of the Sixty-fourth General
28 ~~Assembly, 1971 Session~~, ch. 108 had not been adopted.

29 Sec. 48. Section 411.36, subsection 1, paragraph a,
30 subparagraph (1), Code 2011, is amended to read as follows:
31 (1) Two fire fighters from different participating cities,
32 one of whom is an active member of the retirement system and
33 one of whom is a retired member. The fire fighters shall be
34 appointed by the governing body of the Iowa ~~association of~~
35 professional fire fighters.

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1 Sec. 49. Section 437A.3, subsection 14, Code Supplement
2 2011, is amended to read as follows:

3 14. a. "*Local amount*" means the first forty-four million
4 four hundred forty-four thousand four hundred forty-five
5 dollars of the acquisition cost of any major addition which is
6 an electric power generating plant and the total acquisition
7 cost of any other major addition.

8 b. "*Local amount*" for the purposes of determining the local
9 taxable value for a new electric power generating plant shall
10 annually be determined to be equal up to the first forty-four
11 million four hundred forty-four thousand four hundred
12 forty-five dollars of the taxable value of the new electric
13 power generating plant. "*Local amount*" for the purposes
14 of determining the local assessed value for a new electric
15 power generating plant shall be annually determined to be the
16 percentage share of the taxable value of the new electric power
17 generating plant allocated as the local amount multiplied by
18 the total assessed value of the new electric power generating
19 plant.

20 Sec. 50. Section 437A.3, subsection 18, paragraph b, Code
21 Supplement 2011, is amended to read as follows:

22 b. (1) Any acquisition on or after January 1, 2004, by
23 a taxpayer, by transfer of ownership, self-construction,
24 or capital lease of any interest in electric transmission
25 operating property within a local taxing district where the
26 acquisition cost of all interests acquired exceeds one million
27 dollars.

28 (2) For purposes of this chapter, the acquisition cost of
29 an asset acquired by capital lease is its capitalized value
30 determined under generally accepted accounting principles.

31 Sec. 51. Section 451.1, subsection 3, Code 2011, is amended
32 to read as follows:

33 3. "*Federal Estate Tax Act*" and all such similar terms,
34 means ~~Title~~ Tit. III of chapter 27 of the Acts of the
35 Sixty-ninth Congress of the United States, first session,

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1 appearing in 44 ~~Statutes at Large~~ Stat., chapter ch. 27, as of
2 January 1, 2000, as amended.

3 Sec. 52. Section 452A.5, Code 2011, is amended to read as
4 follows:

5 **452A.5 Distribution allowance.**

6 1. A supplier shall retain a distribution allowance of not
7 more than one and six-tenths percent of all gallons of motor
8 fuel and a distribution allowance of not more than seven-tenths
9 percent of all gallons of undyed special fuel removed from
10 the terminal during the reporting period for purposes of tax
11 computation under section 452A.8.

12 2. The distribution allowance shall be prorated between the
13 supplier and the distributor or dealer as follows:

14 ~~1-~~ a. Motor fuel: four-tenths percent retained by the
15 supplier, one and two-tenths percent to the distributor.

16 ~~2-~~ b. Undyed special fuel: thirty-five hundredths percent
17 retained by the supplier, thirty-five hundredths percent to the
18 distributor or dealer purchasing directly from a supplier.

19 3. Gallons exported outside of the state shall not be
20 included in the calculation of the distribution.

21 Sec. 53. Section 452A.8, subsection 2, paragraph e, Code
22 2011, is amended to read as follows:

23 e. (1) The tax for compressed natural gas and liquefied
24 petroleum gas delivered by a licensed compressed natural gas
25 or liquefied petroleum gas dealer for use in this state shall
26 attach at the time of the delivery and shall be collected by
27 the dealer from the consumer and paid to the department as
28 provided in this chapter. The tax, with respect to compressed
29 natural gas and liquefied petroleum gas acquired by a consumer
30 in any manner other than by delivery by a licensed compressed
31 natural gas or liquefied petroleum gas dealer into a fuel
32 supply tank of a motor vehicle, attaches at the time of the use
33 of the fuel and shall be paid over to the department by the
34 consumer as provided in this chapter.

35 (2) The department shall adopt rules governing the

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1 dispensing of compressed natural gas and liquefied petroleum
2 gas by licensed dealers and licensed users. The director may
3 require by rule that reports and returns be filed by electronic
4 transmission. For purposes of this paragraph "e", "dealer"
5 and "user" mean a licensed compressed natural gas or liquefied
6 petroleum gas dealer or user and "fuel" means compressed natural
7 gas or liquefied petroleum gas. The department shall require
8 that all pumps located at dealer locations and user locations
9 through which liquefied petroleum gas can be dispensed shall
10 be metered, inspected, tested for accuracy, and sealed and
11 licensed by the state department of agriculture and land
12 stewardship, and that fuel delivered into the fuel supply
13 tank of any motor vehicle shall be dispensed only through
14 tested metered pumps and may be sold without temperature
15 correction or corrected to a temperature of sixty degrees. If
16 the metered gallonage is to be temperature-corrected, only a
17 temperature-compensated meter shall be used. Natural gas used
18 as fuel shall be delivered into compressing equipment through
19 sealed meters certified for accuracy by the department of
20 agriculture and land stewardship.

21 (3) (a) All gallonage which is not for highway use,
22 dispensed through metered pumps as licensed under this section
23 on which fuel tax is not collected, must be substantiated by
24 exemption certificates as provided by the department or by
25 valid exemption certificates provided by the dealers, signed by
26 the purchaser, and retained by the dealer. A "valid exemption
27 certificate provided by a dealer" is an exemption certificate
28 which is in the form prescribed by the director to assist a
29 dealer to properly account for fuel dispensed for which tax is
30 not collected and which is complete and correct according to
31 the requirements of the director.

32 (b) For the privilege of purchasing liquefied petroleum
33 gas, dispensed through licensed metered pumps, on a basis
34 exempt from the tax, the purchaser shall sign exemption
35 certificates for the gallonage claimed which is not for highway

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1 use.

2 (c) The department shall disallow all sales of gallonage
3 which is not for highway use unless proof is established by the
4 certificate. Exemption certificates shall be retained by the
5 dealer for a period of three years.

6 ~~(1)~~ (4) (a) For the purpose of determining the amount
7 of liability for fuel tax, each dealer and each user shall
8 file with the department not later than the last day of the
9 month following the month in which this division becomes
10 effective and not later than the last day of each calendar
11 month thereafter a monthly tax return certified under penalties
12 for false certification. The return shall show, with reference
13 to each location at which fuel is delivered or placed by the
14 dealer or user into a fuel supply tank of any motor vehicle
15 during the next preceding calendar month, information as
16 required by the department.

17 ~~(2)~~ (b) The amount of tax due shall be computed by
18 multiplying the appropriate tax rate per gallon by the number
19 of gallons of fuel delivered or placed by the dealer or user
20 into supply tanks of motor vehicles.

21 ~~(3)~~ (c) The return shall be accompanied by remittance in
22 the amount of the tax due for the month in which the fuel was
23 placed into the supply tanks of motor vehicles.

24 Sec. 54. Section 453A.13, subsection 4, paragraph a,
25 unnumbered paragraph 1, Code Supplement 2011, is amended to
26 read as follows:

27 An unrevoked permit for which the holder has paid the full
28 annual fee may be surrendered during the first nine months of
29 said year to the officer issuing it, and the department, or the
30 city or county granting the permit shall make refunds to the
31 ~~said~~ holder as follows:

32 Sec. 55. Section 453A.13, subsection 4, paragraphs b and c,
33 Code Supplement 2011, are amended to read as follows:

34 b. An unrevoked permit for which the holder has paid
35 three-fourths of a full annual fee may be so surrendered during

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1 the first six months of the period covered by said payment and
2 the ~~said~~ department, city, or county shall make refunds to the
3 holder as follows:

4 (1) A sum equal to one-half of an annual fee if the
5 surrender is made during October, November, or December.

6 (2) A sum equal to one-fourth of an annual fee if the
7 surrender is made during January, February, or March.

8 c. An unrevoked permit for which the holder has paid
9 one-half of a full annual fee may be surrendered during the
10 first three months of the period covered by that payment, and
11 the department, city, or county, shall refund to the holder a
12 sum equal to one-fourth of an annual fee.

13 Sec. 56. Section 455B.171, subsection 32, Code Supplement
14 2011, is amended to read as follows:

15 32. "Sewage sludge" means any solid, semisolid, or liquid
16 residue removed during the treatment of municipal waste water
17 or domestic sewage. "Sewage sludge" includes but is not limited
18 to solids removed during primary, secondary, or advanced waste
19 water treatment, scum septage, portable toilet pumpings, type
20 III marine device pumpings as defined in 33 C.F.R. ~~part~~ ch. 1,
21 subch. O, pt. 159, and sewage sludge products. "Sewage sludge"
22 does not include grit, screenings, or ash generated during the
23 incineration of sewage sludge.

24 Sec. 57. Section 455B.261, subsection 7, Code 2011, is
25 amended to read as follows:

26 7. "Established average minimum flow" means the average
27 minimum flow for a given watercourse at a given point
28 determined and established by the commission.

29 a. The "average minimum flow" for a given watercourse shall
30 be determined by the following factors:

31 ~~a-~~ (1) Average of minimum daily flows occurring during
32 the preceding years chosen by the commission as more nearly
33 representative of changing conditions and needs of a given
34 drainage area at a particular time.

35 ~~b-~~ (2) Minimum daily flows shown by experience to be the

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1 limit at which further withdrawals would be harmful to the
2 public interest in any particular drainage area.

3 ~~e.~~ (3) The minimum daily flows shown by established
4 discharge records and experiences to be definitely harmful to
5 the public interest.

6 b. The determination shall be based upon available data,
7 supplemented, when available data are incomplete, with whatever
8 evidence is available.

9 Sec. 58. Section 455B.423, subsection 2, paragraph a,
10 subparagraph (6), Code Supplement 2011, is amended to read as
11 follows:

12 (6) Through agreements or contracts with other state
13 agencies, to work with private industry to develop alternatives
14 to land disposal of hazardous waste or hazardous substances
15 including but not limited to resource recovery, recycling,
16 neutralization, and reduction.

17 Sec. 59. Section 455B.471, subsection 11, Code Supplement
18 2011, is amended to read as follows:

19 11. *a. "Underground storage tank" means one or a*
20 *combination of tanks, including underground pipes connected*
21 *to the tanks which are used to contain an accumulation of*
22 *regulated substances and the volume of which, including the*
23 *volume of the underground pipes, is ten percent or more beneath*
24 *the surface of the ground.*

25 *b. (1) "Underground storage tank" does not include:*

26 ~~(1)~~ (a) Farm or residential tanks of one thousand one
27 hundred gallons or less capacity used for storing motor fuel
28 for noncommercial purposes.

29 ~~(2)~~ (b) Tanks used for storing heating oil for consumptive
30 use on the premises where stored.

31 ~~(3)~~ (c) Residential septic tanks.

32 ~~(4)~~ (d) Pipeline facilities regulated under the Natural
33 Gas Pipeline Safety Act of 1968, as amended to January 1, 1985,
34 codified at 49 U.S.C. § 1671 et seq., the Hazardous Liquid
35 Pipeline Safety Act of 1979, as amended to January 1, 1985,

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1 codified at 49 U.S.C. § 2001 et seq., or an intrastate pipeline
2 facility regulated under chapter 479.

3 ~~(5)~~ (e) A surface impoundment, pit, pond, or lagoon.

4 ~~(6)~~ (f) A storm water or wastewater collection system.

5 ~~(7)~~ (g) A flow-through process tank.

6 ~~(8)~~ (h) A liquid trap or associated gathering lines
7 directly related to oil or gas production and gathering
8 operations.

9 ~~(9)~~ (i) A storage tank situated in an underground area
10 including but not limited to a basement, cellar, mineworking,
11 drift, shaft, or tunnel if the storage tank is situated upon or
12 above the surface of the floor.

13 ~~b-~~ (2) "Underground storage tank" does not include
14 pipes connected to a tank described in paragraph ~~"a"~~ "b",
15 ~~subparagraphs subparagraph (1) through (9).~~

16 Sec. 60. Section 455B.474, subsection 1, paragraph a,
17 subparagraph (6), subparagraph division (g), Code Supplement
18 2011, is amended to read as follows:

19 (g) An owner or operator may elect to proceed with
20 additional corrective action on the site. However, any action
21 taken in addition to that required pursuant to this ~~paragraph~~
22 ~~"a"~~, subparagraph (6), shall be solely at the expense of the
23 owner or operator and shall not be considered corrective action
24 for purposes of section 455G.9, unless otherwise previously
25 agreed to by the board and the owner or operator pursuant to
26 section 455G.9, subsection 7. Corrective action taken by an
27 owner or operator due to the department's failure to meet the
28 time requirements provided in subparagraph division (e) shall
29 be considered corrective action for purposes of section 455G.9.

30 Sec. 61. Section 455B.474, subsection 1, paragraph a,
31 subparagraph (8), subparagraph division (c), Code Supplement
32 2011, is amended to read as follows:

33 (c) A certificate shall be recorded with the county
34 recorder. The owner or operator of a site who has been issued
35 a certificate under this ~~paragraph "a"~~, subparagraph (8), or

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1 a subsequent purchaser of the site shall not be required to
2 perform further corrective action because action standards are
3 changed at a later date. A certificate shall not prevent the
4 department from ordering corrective action of a new release.

5 Sec. 62. Section 455B.474, subsection 2, paragraph a,
6 subparagraph (2), Code Supplement 2011, is amended to read as
7 follows:

8 (2) A person who establishes financial responsibility
9 by self-insurance shall not require or shall not enforce an
10 indemnification agreement with an operator or owner of the tank
11 covered by the self-insurance obligation, unless the owner
12 or operator has committed a substantial breach of a contract
13 between the self-insurer and the owner or operator, and that
14 substantial breach relates directly to the operation of the
15 tank in an environmentally sound manner. This ~~paragraph~~
16 subparagraph applies to all contracts between a self-insurer
17 and an owner or operator entered into on or after May 5, 1989.

18 Sec. 63. Section 456A.33B, subsection 2, paragraph c,
19 subparagraph (4), unnumbered paragraph 1, Code Supplement 2011,
20 is amended to read as follows:

21 Delivery of ~~phosphorous~~ phosphorus and sediment from
22 the watershed will be controlled and in place before lake
23 restoration begins. Loads of ~~phosphorous~~ phosphorus and
24 sediment, in conjunction with in-lake management, will meet or
25 exceed the following water quality targets:

26 Sec. 64. Section 462A.52, subsection 3, Code 2011, is
27 amended to read as follows:

28 3. The commission shall submit a written report to the
29 general assembly by December 31, 2007, and by December 31 of
30 each year thereafter through December 31, 2013, summarizing the
31 activities of the department in administering and enforcing
32 programs to control aquatic invasive species and administering
33 and enforcing navigation laws and water safety upon the inland
34 waters of the state. The report shall include information
35 concerning the amount of revenues collected pursuant to this

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1 section as a result of fee increases pursuant to 2005 Iowa
2 Acts, ch. 137, and how the revenues were expended. The report
3 shall also include information concerning the amount and source
4 of all other funds expended by the commission during the year
5 for the purposes of administering and enforcing programs
6 to control aquatic invasive species and administering and
7 enforcing navigation laws and water safety upon the inland
8 waters of the state and how the funds were expended.

9 Sec. 65. Section 466B.3, subsection 4, paragraph k,
10 unnumbered paragraph 1, Code Supplement 2011, is amended to
11 read as follows:

12 The secretary of agriculture, who shall be the chairperson,
13 or the secretary's designee. As the chairperson, and in
14 order to further the coordination efforts of the council, the
15 secretary may invite representatives from any other public
16 agency, private organization, business, citizen group, or
17 nonprofit entity to give public input at council meetings,
18 provided the entity has an interest in the coordinated
19 management of land resources, soil conservation, flood
20 mitigation, or water quality. The secretary shall also invite
21 and solicit advice from the following:

22 Sec. 66. Section 468.174, Code 2011, is amended to read as
23 follows:

24 **468.174 Membership in the national drainage association.**

25 1. Any drainage district may join and become a member of
26 the national drainage association. A drainage district may
27 pay a membership fee and annual dues upon the approval of the
28 drainage board of such district, but not in excess of the
29 following:

30 a. One hundred dollars for drainage districts having
31 indebtedness in excess of one million dollars.

32 b. Fifty dollars for drainage districts having an
33 indebtedness of five hundred thousand dollars and less than one
34 million dollars.

35 c. Twenty-five dollars for drainage districts having an

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1 indebtedness of two hundred fifty thousand dollars and less
2 than five hundred thousand dollars.
3 d. Ten dollars for drainage districts having an indebtedness
4 less than two hundred fifty thousand dollars.
5 2. The annual dues for any district shall not exceed
6 one-twentieth of one percent of the outstanding indebtedness of
7 the district.
8 Sec. 67. Section 476.1, Code 2011, is amended to read as
9 follows:
10 **476.1 Applicability of authority.**
11 1. The utilities board within the utilities division of the
12 department of commerce shall regulate the rates and services of
13 public utilities to the extent and in the manner hereinafter
14 provided.
15 2. As used in this chapter, "*board*" or "*utilities board*"
16 means the utilities board within the utilities division of the
17 department of commerce.
18 3. As used in this chapter, "*public utility*" shall include
19 any person, partnership, business association, or corporation,
20 domestic or foreign, owning or operating any facilities for:
21 ~~1-~~ a. Furnishing gas by piped distribution system or
22 electricity to the public for compensation.
23 ~~2-~~ b. Furnishing communications services to the public for
24 compensation.
25 ~~3-~~ c. Furnishing water by piped distribution system to the
26 public for compensation.
27 4. Mutual telephone companies in which at least fifty
28 percent of the users are owners, cooperative telephone
29 corporations or associations, telephone companies having less
30 than fifteen thousand customers and less than fifteen thousand
31 access lines, municipally owned utilities, and unincorporated
32 villages which own their own distribution systems are not
33 subject to the rate regulation provided for in this chapter.
34 5. This chapter does not apply to waterworks having less
35 than two thousand customers, municipally owned waterworks,



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1 joint water utilities established pursuant to chapter 389,
2 rural water districts incorporated and organized pursuant
3 to chapters 357A and 504, cooperative water associations
4 incorporated and organized pursuant to chapter 499, or to
5 a person furnishing electricity to five or fewer customers
6 either by secondary line or from an alternate energy production
7 facility or small hydro facility, from electricity that is
8 produced primarily for the person's own use.

9 6. A telephone company otherwise exempt from rate
10 regulation and having telephone exchange facilities which cross
11 state lines may elect, in a writing filed with the board, to
12 have its rates regulated by the board. When a written election
13 has been filed with the board, the board shall assume rate
14 regulation jurisdiction over the company.

15 7. The jurisdiction of the board under this chapter
16 shall include efforts designed to promote the use of energy
17 efficiency strategies by rate or service-regulated gas and
18 electric utilities.

19 Sec. 68. Section 476.1D, subsection 1, paragraph c,
20 subparagraph (3), Code Supplement 2011, is amended to read as
21 follows:

22 (3) Effective July 1, 2008, the retail rate jurisdiction
23 of the board shall not be applicable to single line flat-rated
24 residential and business service rates unless the board during
25 the first six calendar months of 2008 extends its retail rate
26 jurisdiction over single line flat-rated residential and
27 business service rates provided by a previously rate-regulated
28 telephone utility. The board may extend its jurisdiction
29 pursuant to this ~~paragraph~~ subparagraph for not more than two
30 years and may do so only after the board finds that such action
31 is necessary for the public interest. The board shall provide
32 the general assembly with a copy of any order to extend its
33 jurisdiction and shall permit any telephone utility subject to
34 the extension to increase single line flat-rated residential
35 and business monthly service rates by an amount up to two

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1 dollars during each twelve-month period of the extension. If a
2 telephone utility fails to impose such a rate increase during
3 any twelve-month period, the utility may not impose the unused
4 increase in any subsequent year.

5 Sec. 69. Section 499.47B, subsection 3, paragraph a, Code
6 Supplement 2011, is amended to read as follows:

7 a. Except as provided in paragraph "b", the sale, lease,
8 exchange, or other disposition must be approved by a two-thirds
9 vote of the members in which vote a majority of all voting
10 members participate.

11 Sec. 70. Section 499.47B, subsection 3, paragraph b,
12 subparagraph (1), Code Supplement 2011, is amended to read as
13 follows:

14 (1) If the cooperative association's articles of
15 incorporation require approval by more than two-thirds of
16 its members in which vote a majority of all voting members
17 participate, the sale, lease, exchange, or other disposition
18 must be approved by the greater number as provided in the
19 articles of incorporation.

20 Sec. 71. Section 499.64, subsection 2, paragraph a, Code
21 Supplement 2011, is amended to read as follows:

22 a. Except as provided in paragraph "b", the proposed plan of
23 merger or consolidation must be approved by a two-thirds vote
24 of the members in which vote a majority of all voting members
25 participate.

26 Sec. 72. Section 499.64, subsection 2, paragraph b,
27 subparagraph (1), Code Supplement 2011, is amended to read as
28 follows:

29 (1) If the cooperative association's articles of
30 incorporation require approval by more than two-thirds of
31 its members in which vote a majority of all voting members
32 participate, the proposed plan of merger or consolidation must
33 be approved by the greater number as provided in the articles
34 of incorporation.

35 Sec. 73. Section 501.203, subsection 4, Code Supplement

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1 2011, is amended to read as follows:

2 4. If the board does not recommend the amendment or
3 restatement to the members, then the amendment or restatement
4 must be adopted by the members by a vote of two-thirds of the
5 votes cast in which vote a majority of all votes are cast.

6 Sec. 74. Section 501.204, Code Supplement 2011, is amended
7 to read as follows:

8 **501.204 Bylaws.**

9 The board may adopt or amend the cooperative's bylaws by a
10 vote of three-fourths of the board. The members may adopt or
11 amend the cooperative's bylaws by a vote of three-fourths of
12 the votes cast in which vote a majority of all votes are cast.
13 A bylaw provision adopted by the members shall not be amended
14 or repealed by the directors.

15 Sec. 75. Section 501.601, subsection 2, paragraph b, Code
16 Supplement 2011, is amended to read as follows:

17 b. The members must approve the plan of conversion by ~~the~~ a
18 vote of two-thirds of the votes cast in which vote a majority
19 of all votes are cast.

20 Sec. 76. Section 501.603, subsection 2, Code Supplement
21 2011, is amended to read as follows:

22 2. A cooperative may sell, lease, exchange, or otherwise
23 dispose of all, or substantially all, of its property, with
24 or without the goodwill, on the terms and conditions and for
25 the consideration determined by the board, which consideration
26 may include the interests of another cooperative, if the board
27 recommends the proposed transaction to the members, and the
28 members approve it by ~~the~~ a vote of two-thirds of the votes
29 cast in which vote a majority of all votes are cast. The board
30 may condition its submission of the proposed transaction on any
31 basis.

32 Sec. 77. Section 501.614, subsection 2, Code Supplement
33 2011, is amended to read as follows:

34 2. At the meeting, a vote of the members who are entitled
35 to vote in the affairs of the association shall be taken on

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1 the proposed plan of merger or consolidation. The plan of
2 merger or consolidation shall be approved if two-thirds of
3 the members vote affirmatively ~~in which~~ and a majority of all
4 voting members participate in the voting.

5 Sec. 78. Section 509B.1, subsection 6, Code 2011, is amended
6 to read as follows:

7 6. "*Medicare*" means ~~Title~~ Tit. XVIII of the United States
8 Social Security Act.

9 Sec. 79. Section 513C.3, subsection 14, paragraph a, Code
10 2011, is amended to read as follows:

11 a. Loss of eligibility for medical assistance provided
12 pursuant to chapter 249A or Medicare coverage provided pursuant
13 to ~~Title~~ Tit. XVIII of the federal Social Security Act.

14 Sec. 80. Section 514G.103, subsection 16, paragraph a,
15 subparagraph (2), Code 2011, is amended to read as follows:

16 (2) The contract does not pay or reimburse expenses incurred
17 for services or items to the extent that the expenses are
18 reimbursable under ~~Title~~ Tit. XVIII of the federal Social
19 Security Act, as amended, or would be reimbursable but for
20 the application of a deductible or coinsurance amount. The
21 requirements of this subparagraph do not apply to expenses that
22 are reimbursable under ~~Title~~ Tit. XVIII of the federal Social
23 Security Act only as a secondary payor. A contract does not
24 fail to satisfy the requirements of this subparagraph because
25 payments are made on a per diem or other periodic basis without
26 regard to the expenses incurred during the period to which the
27 payments relate.

28 Sec. 81. Section 524.221, subsection 3, Code Supplement
29 2011, is amended to read as follows:

30 3. The provisions of this section, insofar as applicable,
31 shall apply to the records of a national bank or a federally
32 chartered savings bank or a federally ~~charted~~ chartered savings
33 and loan association.

34 Sec. 82. Section 558.66, subsection 3, paragraph b,
35 subparagraph (2), Code Supplement 2011, is amended to read as

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1 follows:

2 (2) The name of the surviving joint tenant or owner of the
3 remainder interest, as applicable, in whose name the county
4 records should reflect ownership of title.

5 Sec. 83. Section 602.4201, subsection 3, paragraph h, Code
6 2011, as amended by 2011 Iowa Acts, chapter 121, section 60,
7 is amended to read as follows:

8 *h.* Involuntary commitment or treatment of persons with a
9 substance-related disorders.

10 Sec. 84. Section 634A.1, subsection 1, paragraph a, Code
11 2011, is amended to read as follows:

12 *a.* Is considered to be a person with a disability under the
13 disability criteria specified in Title Tit. II or Title Tit.
14 XVI of the federal Social Security Act.

15 Sec. 85. Section 714G.8, subsection 4, Code 2011, is amended
16 to read as follows:

17 4. Child support enforcement officials when investigating a
18 child support case pursuant to Title Tit. IV-D or Title Tit.
19 XIX of the federal Social Security Act.

20 Sec. 86. Section 717.5, subsection 3, paragraph a,
21 subparagraph (1), Code Supplement 2011, is amended to read as
22 follows:

23 (1) For livestock neglected under section 717.2, the
24 amount shall not be more than for expenses incurred by the
25 local authority in maintaining and disposing of the neglected
26 livestock rescued pursuant to section 717.2A, and reasonable
27 attorney fees and expenses related to the investigation of the
28 case. The remaining amount of a bond or other security posted
29 pursuant to subsection 1 shall be used to reimburse the local
30 authority.

31 DIVISION II

32 VOLUME V RENUMBERING

33 Sec. 87. Section 490.202, subsection 2, paragraph d, Code
34 2011, is amended to read as follows:

35 *d.* (1) A provision eliminating or limiting the liability

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1 of a director to the corporation or its shareholders for
2 money damages for any action taken, or any failure to take
3 any action, as a director, except liability for any of the
4 following:

5 ~~(1)~~ (a) The amount of a financial benefit received by a
6 director to which the director is not entitled.

7 ~~(2)~~ (b) An intentional infliction of harm on the
8 corporation or the shareholders.

9 ~~(3)~~ (c) A violation of section 490.833.

10 ~~(4)~~ (d) An intentional violation of criminal law.

11 (2) A provision shall not eliminate or limit the liability
12 of a director for an act or omission occurring prior to the
13 date when the provision in the articles of incorporation
14 becomes effective.

15 Sec. 88. Section 490.1110, subsection 2, Code 2011, is
16 amended to read as follows:

17 2. a. This section does not apply in any of the following
18 circumstances:

19 ~~a.~~ (1) The corporation does not have a class of voting
20 stock that is listed on a national securities exchange,
21 authorized for quotation on the national association
22 of securities dealers automated quotations - national
23 market system, or held of record by more than two thousand
24 shareholders, unless any of the foregoing results from action
25 taken, directly or indirectly, by an interested shareholder
26 or from a transaction in which a person becomes an interested
27 shareholder.

28 ~~b.~~ (2) The corporation's original articles of incorporation
29 contain a provision expressly electing not to be governed by
30 this section.

31 ~~c.~~ (3) The corporation, by action of its board of
32 directors, adopts an amendment to its bylaws by no later than
33 September 29, 1997, expressly electing not to be governed by
34 this section, which amendment shall not be further amended by
35 the board of directors.



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1 ~~d-~~ (4) (a) The corporation, by action of its shareholders,
2 adopts an amendment to its articles of incorporation or bylaws
3 expressly electing not to be governed by this section, provided
4 that, in addition to any other vote required by law, such
5 amendment to the articles of incorporation or bylaws must be
6 approved by the affirmative vote of a majority of the shares
7 entitled to vote. An amendment adopted pursuant to this
8 ~~paragraph~~ subparagraph is effective immediately in the case of
9 a corporation that has never had a class of voting stock that
10 falls within any of the three categories set out in ~~paragraph~~
11 ~~"a"~~ subparagraph (1) and has not elected by a provision in its
12 original articles of incorporation or any amendment to such
13 articles to be governed by this section. In all other cases,
14 an amendment adopted pursuant to this ~~paragraph~~ subparagraph
15 is not effective until twelve months after the adoption of
16 the amendment and does not apply to any business combination
17 between the corporation and any person who became an interested
18 shareholder of the corporation on or prior to such adoption.
19 (b) An amendment to the bylaws adopted pursuant to this
20 ~~paragraph~~ subparagraph shall not be further amended by the
21 board of directors.
22 ~~e-~~ (5) A shareholder becomes an interested shareholder
23 inadvertently and both of the following apply:
24 ~~(1)~~ (a) As soon as practicable the shareholder divests
25 itself of ownership of sufficient shares so that the
26 shareholder ceases to be an interested shareholder.
27 ~~(2)~~ (b) The shareholder would not, at any time within the
28 three-year period immediately prior to a business combination
29 between the corporation and such shareholder, have been an
30 interested shareholder but for the inadvertent acquisition of
31 ownership.
32 ~~f-~~ ~~(1)~~ (6) (a) The business combination is proposed prior
33 to the consummation or abandonment of and subsequent to the
34 earlier of the public announcement or the notice required in
35 this ~~paragraph~~ subparagraph of a proposed transaction which

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1 satisfies all of the following:
2 ~~(a)~~ (i) Constitutes a transaction described in
3 ~~subparagraph (2)~~ subparagraph division (b).
4 ~~(b)~~ (ii) Is with or by a person who either was not an
5 interested shareholder during the previous three years or who
6 became an interested shareholder with the approval of the
7 corporation's board of directors or who became an interested
8 shareholder during the time period described in ~~paragraph "g"~~
9 subparagraph (7).
10 ~~(c)~~ (iii) Is approved or not opposed by a majority of
11 the members of the board of directors then in office who
12 were directors prior to any person becoming an interested
13 shareholder during the previous three years, or who were
14 recommended for election or elected to succeed such directors
15 by a majority of such directors.
16 ~~(2)~~ (b) A proposed transaction under subparagraph ~~(1)~~
17 division (a) is limited to the following:
18 ~~(a)~~ (i) A merger of the corporation, other than a merger
19 pursuant to section 490.1105.
20 ~~(b)~~ (ii) A sale, lease, exchange, mortgage, pledge,
21 transfer, or other disposition, in one or more transactions
22 and whether as part of a dissolution or otherwise, of assets
23 of the corporation or of any direct or indirect majority-owned
24 subsidiary of the corporation, other than to a direct or
25 indirect wholly owned subsidiary of the corporation or to
26 the corporation itself, which has an aggregate market value
27 equal to fifty percent or more of either the aggregate market
28 value of all of the assets of the corporation determined on a
29 consolidated basis, or the aggregate market value of all the
30 outstanding stock of the corporation.
31 ~~(c)~~ (iii) A proposed tender or exchange offer for fifty
32 percent or more of the outstanding voting stock of the
33 corporation.
34 ~~(3)~~ (c) The corporation shall give no less than twenty
35 days' notice to all interested shareholders prior to

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1 the consummation of any of the transactions described in
2 subparagraph ~~(2)~~ division (b), subparagraph ~~division (a) or (b)~~
3 subdivision (i) or (ii).

4 ~~g-~~ (7) The business combination is with an interested
5 shareholder who becomes an interested shareholder of the
6 corporation at a time when the corporation is not subject to
7 this section pursuant to ~~paragraph "a", "b", "c", or "d"~~
8 subparagraph (1), (2), (3), or (4).

9 b. Notwithstanding ~~paragraphs "a" through "d"~~
10 paragraph "a", subparagraphs (1) through (4), a corporation
11 may elect under its original articles of incorporation
12 or any amendment to such articles to be subject to this
13 section. However, such amendment shall not apply to restrict a
14 business combination between the corporation and an interested
15 shareholder of the corporation if the interested shareholder
16 became such prior to the effective date of the amendment.

17 Sec. 89. Section 490.1110, subsection 3, paragraph e, Code
18 2011, is amended to read as follows:

19 *e.* *"Interested shareholder"* means any person, other than
20 the corporation and any direct or indirect majority-owned
21 subsidiary of the corporation, that is the owner of ten percent
22 or more of the outstanding voting stock of the corporation, or
23 is an affiliate or associate of the corporation and was the
24 owner of ten percent or more of the outstanding voting stock
25 of the corporation at any time within the three-year period
26 immediately prior to the date on which it is sought to be
27 determined whether such person is an interested shareholder,
28 and the affiliates and associates of such person. *"Interested*
29 *shareholder"* does not include a person whose ownership of shares
30 in excess of the ten percent limitation is the result of action
31 taken solely by the corporation, provided that such person
32 is an interested shareholder if, after such action by the
33 corporation, the person acquires additional shares of voting
34 stock of the corporation, other than as a result of further
35 corporate action not caused, directly or indirectly, by such

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1 person. For purposes of determining whether a person is an
2 interested shareholder, the outstanding voting stock of the
3 corporation does not include any other unissued stock of the
4 corporation which may be issuable pursuant to any agreement,
5 arrangement, or understanding, or upon exercise of conversion
6 rights, warrants, or options, or otherwise.

7 ~~For purposes of determining whether a person is an~~
8 ~~interested shareholder, the outstanding voting stock of the~~
9 ~~corporation does not include any other unissued stock of the~~
10 ~~corporation which may be issuable pursuant to any agreement,~~
11 ~~arrangement, or understanding, or upon exercise of conversion~~
12 ~~rights, warrants, or options, or otherwise.~~

13 Sec. 90. Section 491.102, Code 2011, is amended to read as
14 follows:

15 **491.102 Procedure for merger.**

16 1. Any two or more corporations whether heretofore or
17 hereafter organized may merge into one of such corporations in
18 the following manner: provided in this section.

19 2. The board of directors of each corporation shall, by
20 resolution adopted by a majority vote of the members of each
21 such board, approve a plan of mergers setting forth:

22 ~~1-~~ a. The names of the corporations proposing to merge, and
23 the name of the corporation into which they propose to merge,
24 which is hereinafter designated as the surviving corporation.

25 ~~2-~~ b. The terms and conditions of the proposed merger.

26 ~~3-~~ c. The manner and basis of converting the shares of
27 each merging corporation into shares or other securities or
28 obligations of the surviving corporation.

29 ~~4-~~ d. A statement of any changes in the articles of
30 incorporation of the surviving corporation to be effected by
31 such merger.

32 ~~5-~~ e. Such other provisions with respect to the proposed
33 merger as are deemed necessary or desirable.

34 Sec. 91. Section 491.103, Code 2011, is amended to read as
35 follows:

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1 **491.103 Procedure for consolidation.**

2 1. Any two or more corporations whether heretofore or
3 hereafter organized may consolidate into a new corporation in
4 the ~~following~~ manner: provided in this section.

5 2. The board of directors of each corporation, shall, by a
6 resolution adopted by a majority vote of the members of each
7 such board, approve a plan of consolidation setting forth:

8 ~~1-~~ a. The names of the corporations proposing to
9 consolidate, and the name of the new corporation into which
10 they propose to consolidate, which is hereinafter designated
11 as the new corporation.

12 ~~2-~~ b. The terms and conditions of the proposed
13 consolidation.

14 ~~3-~~ c. The manner and basis of converting the shares of each
15 corporation into shares, or other securities, or obligations
16 of the new corporation.

17 ~~4-~~ d. With respect to the new corporation, all of
18 the statements required to be set forth in articles of
19 incorporation for corporations organized under this chapter.

20 ~~5-~~ e. Such other provisions with respect to the proposed
21 consolidation as are deemed necessary or desirable.

22 Sec. 92. Section 499.48, Code 2011, is amended to read as
23 follows:

24 **499.48 Distribution in liquidation.**

25 1. On dissolution or liquidation, the assets of the
26 association shall be used to pay liquidation expenses first,
27 next the association's obligations other than patronage
28 dividends or patronage dividend certificates which it has
29 issued, and the remainder shall be distributed in the following
30 priority:

31 ~~1-~~ a. To pay to each person the full amount originally
32 paid by that person in cash for stock or other equity interest
33 in the association.

34 ~~2-~~ b. To pay to each person in proportion to the total of
35 each person's revolving fund, stock, or other equity interest

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1 in the association remaining after the payment under ~~subsection~~
2 ~~1~~ paragraph "a".

3 2. In applying ~~subsections~~ subsection 1 and ~~2~~, paragraphs
4 "a" and "b", all classes of stock, all revolving funds, and
5 all other equity interests in the association shall be treated
6 equally based on their stated values. However, an association
7 may establish its own method of distributing the assets
8 remaining, after paying liquidation expenses and obligations
9 other than patronage dividends or patronage dividend
10 certificates which it has issued, in articles of incorporation
11 adopted, amended, or restated after July 1, 1986.

12 Sec. 93. Section 499.62, Code 2011, is amended to read as
13 follows:

14 **499.62 Merger.**

15 1. Any two or more cooperative associations may merge into
16 one cooperative association in the ~~following~~ manner: provided
17 in this section.

18 2. The board of directors of each cooperative association
19 shall, by resolution adopted by a majority vote of all members
20 of each board, approve a plan of merger which shall set forth:

21 ~~1-~~ a. The names of the cooperative associations proposing
22 to merge and the name of the surviving association.

23 ~~2-~~ b. The terms and conditions of the proposed merger.

24 ~~3-~~ c. A statement of any changes in the articles of
25 incorporation of the surviving association.

26 ~~4-~~ d. Other provisions deemed necessary or desirable.

27 Sec. 94. Section 499.63, Code 2011, is amended to read as
28 follows:

29 **499.63 Consolidation.**

30 1. Any two or more cooperative associations may be
31 consolidated into a new cooperative association in the
32 ~~following~~ manner: provided in this section.

33 2. The board of directors of each cooperative association
34 shall, by resolution adopted by a majority vote of all members
35 of each board, approve a plan of consolidation setting forth:

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1 ~~1-~~ a. The names of the cooperative associations proposing
2 to consolidate and the name of the new association.
3 ~~2-~~ b. The terms and conditions of the proposed
4 consolidation.
5 ~~3-~~ c. With respect to the new association, all of
6 the statements required to be set forth in articles of
7 incorporation for cooperative associations.
8 ~~4-~~ d. Other provisions deemed necessary or desirable.
9 Sec. 95. Section 499.68, unnumbered paragraphs 1 and 2, Code
10 2011, are amended to read as follows:
11 A merger or consolidation shall become effective upon the
12 date that the certificate of merger or the certificate of
13 consolidation is issued by the secretary of state, or the
14 effective date specified in the articles of merger or articles
15 of consolidation, whichever is later. When a merger or
16 consolidation has become effective:
17 ~~When a merger or consolidation has become effective:~~
18 Sec. 96. Section 499.69, Code 2011, is amended to read as
19 follows:
20 **499.69 Foreign and domestic mergers or consolidations.**
21 1. One or more foreign cooperative associations and one
22 or more domestic cooperative associations may be merged
23 or consolidated in the following manner, if such merger or
24 consolidation is permitted by the laws of the state under which
25 each foreign cooperative association is organized:
26 ~~1-~~ a. Each domestic cooperative association shall comply
27 with the provisions of this division with respect to the merger
28 or consolidation of domestic cooperative associations, and
29 each foreign cooperative association shall comply with the
30 applicable provisions of the laws of the state under which it
31 is organized.
32 ~~2-~~ b. If the surviving or new association is to be governed
33 by the laws of any state other than this state, it shall comply
34 with the provisions of the laws of this state with respect to
35 the qualifications of foreign cooperative associations if it is

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1 to transact business in this state, and in every case it shall
2 file with the secretary of state of this state:

3 ~~a-~~ (1) An agreement that it may be served with process
4 in this state in any proceeding for the enforcement of any
5 obligation of any domestic cooperative association which is a
6 party to the merger or consolidation, and in any proceeding
7 for the enforcement of the rights of a dissenting shareholder
8 of any such domestic cooperative association, against the
9 surviving or new association.

10 ~~b-~~ (2) An irrevocable appointment of the secretary of state
11 of this state as its agent to accept service of process in any
12 proceeding.

13 ~~c-~~ (3) An agreement that it will promptly pay to the
14 dissenting shareholders of any domestic cooperative association
15 the amount to which they are entitled under the provisions of
16 this division with respect to the rights of dissenters.

17 2. The effect of such merger or consolidation shall be the
18 same as the effect of the merger or consolidation of domestic
19 cooperative associations, if the surviving or new association
20 is to be governed by the laws of this state. If the surviving
21 or new association is to be governed by the laws of any other
22 state, the effect of merger or consolidation shall be the same
23 as in the case of the merger or consolidation of domestic
24 cooperative associations, except as the laws of the other state
25 otherwise provide.

26 Sec. 97. Section 499A.22, subsections 1, 2, and 3, Code
27 2011, are amended to read as follows:

28 1. a. The cooperative has a lien on a member's interest in
29 the cooperative for all operating charges or other assessments
30 payable by the member pursuant to the member's proprietary
31 lease from the time the operating charge or other assessment
32 becomes due. If carrying charges and assessments are payable
33 in installments, the full amount of the charge or assessment is
34 a lien from the first time the first installment becomes due.
35 Upon nonpayment of a carrying charge or assessment, the member

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1 may be evicted from the member's apartment unit in the same
2 manner as provided by law in the case of an unlawful holdover
3 by a tenant and the lien may be foreclosed by judicial sale in
4 like manner as a mortgage on real estate, or may be foreclosed
5 by the power of sale provided in this section.

6 b. A lien under this section is prior to all other liens and
7 encumbrances on a member's cooperative interest except liens
8 and encumbrances on the cooperative's real property which the
9 cooperative creates, assumes, or takes subject to, and liens
10 for real estate taxes and other governmental assessments or
11 charges against the cooperative or the member's cooperative
12 interest.

13 2. The cooperative, upon a member's nonpayment of carrying
14 charges and assessments and the cooperative's compliance with
15 this section, may sell the defaulting member's cooperative
16 interest. Sale may be at a public sale or by private
17 negotiation, and at any time and place, but every aspect of
18 the sale, including the method, advertising, time, place, and
19 terms must be reasonable. The cooperative shall give to the
20 member and any sublessees of the member reasonable written
21 notice of the time and place of a public sale or, if a private
22 sale is intended, of the intention of entering into a contract
23 to sell and of the time after which a private disposition may
24 be made. The same notice shall also be sent to any other
25 person who has a recorded interest in the defaulting member's
26 cooperative interest which would be extinguished by the sale.
27 The notices required by this ~~paragraph~~ subsection may be sent
28 to any address reasonable under the circumstances. Sale may
29 not be held until five weeks after the sending of the notice.
30 The cooperative may buy at a public sale, and, if the sale is
31 conducted by a fiduciary or other person not related to the
32 cooperative, at a private sale.

33 3. a. The proceeds of a sale under the preceding ~~paragraph~~
34 subsection shall be applied in the following order:

35 ~~a.~~ (1) The reasonable expenses of sale.

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1 ~~b.~~ (2) The reasonable expenses of securing possession
2 before sale, and the reasonable expenses of holding,
3 maintaining, and preparing the cooperative interest for sale.
4 These expenses include, but are not limited to, the payment of
5 taxes and other governmental charges, premiums on liability
6 insurance, and to the extent provided for by agreement between
7 the cooperative and the member, reasonable attorney fees and
8 other legal expenses incurred by the cooperative.

9 ~~c.~~ (3) Satisfaction of the cooperative's lien.

10 ~~d.~~ (4) Satisfaction in the order of priority of any
11 subordinate claim of record.

12 ~~e.~~ (5) Remittance of any excess to the member.

13 b. Unless otherwise agreed, the member is liable for any
14 deficiency.

15 Sec. 98. Section 501.618, unnumbered paragraphs 1 and 2,
16 Code 2011, are amended to read as follows:

17 A merger or consolidation shall become effective upon the
18 date that the certificate of merger or the certificate of
19 consolidation is issued by the secretary of state, or the
20 effective date specified in the articles of merger or articles
21 of consolidation, whichever is later. When a merger or
22 consolidation has become effective:

23 ~~When a merger or consolidation has become effective:~~

24 Sec. 99. Section 501A.715, subsection 2, paragraph a,
25 subparagraph (2), subparagraph division (b), Code 2011, is
26 amended to read as follows:

27 (b) In the case of an act or omission occurring in the
28 official capacity described in subsection 1, paragraph
29 "a", subparagraph (3), the person reasonably believed that
30 the conduct was not opposed to the best interests of the
31 cooperative. If the person's acts or omissions complained of
32 in the proceeding relate to conduct as a director, officer,
33 trustee, employee, or agent of an employee benefit plan, the
34 conduct is not considered to be opposed to the best interests
35 of the cooperative if the person reasonably believed that

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1 the conduct was in the best interests of the participants or
2 beneficiaries of the employee benefit plan.

3 ~~If the person's acts or omissions complained of in the~~
4 ~~proceeding relate to conduct as a director, officer, trustee,~~
5 ~~employee, or agent of an employee benefit plan, the conduct~~
6 ~~is not considered to be opposed to the best interests of the~~
7 ~~cooperative if the person reasonably believed that the conduct~~
8 ~~was in the best interests of the participants or beneficiaries~~
9 ~~of the employee benefit plan.~~

10 Sec. 100. Section 502A.3, Code 2011, is amended to read as
11 follows:

12 **502A.3 Exempt person transactions.**

13 1. The prohibitions in section 502A.2 do not apply to a
14 transaction in which any of the following persons, or any
15 employee, officer, or director of a listed person acting solely
16 in that capacity, is the purchaser or seller:

17 ~~1-~~ a. A person registered with the commodity futures
18 trading commission as a futures commission merchant or as a
19 leverage transaction merchant whose activities require such
20 registration.

21 ~~2-~~ b. A person registered with the securities and exchange
22 commission as a broker-dealer whose activities require such
23 registration.

24 ~~3-~~ c. A person affiliated with, and whose obligations and
25 liabilities under the transaction are guaranteed by, a person
26 referred to in ~~subsection 1 or 2~~ paragraph "a" or "b".

27 ~~4-~~ d. A person who is a member of a contract market
28 designated by the commodity futures trading commission, or any
29 CFTC clearinghouse.

30 ~~5-~~ e. A financial institution.

31 ~~6-~~ f. A person registered under the laws of this state
32 as a securities broker-dealer whose activities require such
33 registration.

34 2. This exemption provided by this section does not apply
35 to any transaction or activity which is prohibited by the

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1 Commodity Exchange Act or CFTC rule.

2 Sec. 101. Section 507B.4, Code 2011, is amended to read as
3 follows:

4 **507B.4 Unfair methods of competition and unfair or deceptive**
5 **acts or practices defined.**

6 1. For purposes of subsection 3, paragraph "p", "insurer"
7 means an entity providing a plan of health insurance, health
8 care benefits, or health care services, or an entity subject
9 to the jurisdiction of the commissioner performing utilization
10 review, including an insurance company offering sickness and
11 accident plans, a health maintenance organization, an organized
12 delivery system authorized under 1993 Iowa Acts, ch. 158, and
13 licensed by the department of public health, a nonprofit health
14 service corporation, a plan established pursuant to chapter
15 509A for public employees, or any other entity providing a
16 plan of health insurance, health care benefits, or health care
17 services. However, "insurer" does not include an entity that
18 sells disability income or long-term care insurance.

19 2. For purposes of subsection 3, paragraphs "k", "l", and
20 "m", "personal lines property and casualty insurance" means
21 insurance sold to individuals and families primarily for
22 noncommercial purposes as provided in chapter 522B.

23 3. The following are hereby defined as unfair methods of
24 competition and unfair or deceptive acts or practices in the
25 business of insurance:

26 ~~1-~~ a. Misrepresentations and false advertising of insurance
27 policies. Making, issuing, circulating, or causing to be made,
28 issued or circulated, any estimate, illustration, circular,
29 statement, sales presentation, omission, or comparison which
30 does any of the following:

31 ~~a-~~ (1) Misrepresents the benefits, advantages, conditions,
32 or terms of any insurance policy.

33 ~~b-~~ (2) Misrepresents the dividends or share of the surplus
34 to be received on any insurance policy.

35 ~~c-~~ (3) Makes any false or misleading statements as to the

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1 dividends or share of surplus previously paid on any insurance
2 policy.

3 ~~d.~~ (4) Is misleading or is a misrepresentation as to the
4 financial condition of any person, or as to the legal reserve
5 system upon which any life insurer operates.

6 ~~e.~~ (5) Uses any name or title of any insurance policy or
7 class of insurance policies misrepresenting the true nature
8 thereof.

9 ~~f.~~ (6) Is a misrepresentation for the purpose of inducing
10 or tending to induce the lapse, forfeiture, exchange,
11 conversion, or surrender of any insurance policy.

12 ~~g.~~ (7) Is a misrepresentation for the purpose of effecting
13 a pledge or assignment of or effecting a loan against any
14 insurance policy.

15 ~~h.~~ (8) Misrepresents any insurance policy as being shares
16 of stock.

17 ~~i.~~ (9) Misrepresents any insurance policy to consumers
18 by using the terms "burial insurance", "funeral insurance",
19 "burial plan", or "funeral plan" in its names or titles, unless
20 the policy is made with a funeral provider as beneficiary who
21 specifies and fixes a price under contract with an insurance
22 company. This ~~paragraph~~ subparagraph does not prevent insurers
23 from stating or advertising that insurance benefits may provide
24 cash for funeral or burial expenses.

25 ~~j.~~ (10) Is a misrepresentation, including any intentional
26 misquote of premium rate, for the purpose of inducing or
27 tending to induce the purchase of an insurance policy.

28 ~~2.~~ b. *False information and advertising.*

29 ~~a.~~ (1) *Generally.* Making, publishing, disseminating,
30 circulating, or placing before the public, or causing, directly
31 or indirectly, to be made, published, disseminated, circulated,
32 or placed before the public in a newspaper, magazine, or other
33 publication, or in the form of a notice, circular, pamphlet,
34 letter, or poster, or over any radio or television station, or
35 in any other way, an advertisement, announcement, or statement

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1 containing any assertion, representation, or statement with
2 respect to the business of insurance or with respect to any
3 person in the conduct of the person's insurance business, which
4 is untrue, deceptive, or misleading.

5 ~~b.~~ (2) *False statement of assets.* In the case of a company
6 transacting the business of fire insurance within the state,
7 stating or representing by advertisement in any newspaper,
8 magazine, or periodical, or by any sign, circular, card, policy
9 of insurance, or renewal certificate thereof or otherwise, that
10 any funds or assets are in its possession and held available
11 for the protection of holders of its policies unless so held,
12 except the policy of insurance or certificate of renewal
13 thereof may state, as a single item, the amount of capital
14 set forth in the charter, or articles of incorporation, or
15 association, or deed of settlement under which it is authorized
16 to transact business.

17 ~~c.~~ (3) *Statement of capital and surplus.* In the case of a
18 foreign company transacting the business of casualty insurance
19 in the state, or an officer, producer, or representative of
20 such a company, issuing or publishing an advertisement, public
21 announcement, sign, circular, or card that purports to disclose
22 the company's financial standing and fails to exhibit: the
23 capital actually paid in cash, and the amount of net surplus
24 of assets over all the company's liabilities actually held
25 and available for the payment of losses by fire and for the
26 protection of holders of fire policies; and the amount of net
27 surplus of assets over all liabilities in the United States
28 actually available for the payment of losses by fire and held
29 in the United States for the protection of holders of fire
30 policies in the United States, including in such liabilities
31 the fund reserved for reinsurance of outstanding risks. The
32 amounts stated for capital and net surplus shall correspond
33 with the latest verified statement made by the company or
34 association to the commissioner of insurance.

35 ~~3.~~ c. *Defamation.* Making, publishing, disseminating,

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1 or circulating, directly or indirectly, or aiding, abetting
2 or encouraging the making, publishing, disseminating, or
3 circulating of any oral or written statement or any pamphlet,
4 circular, article or literature which is false, or maliciously
5 critical of or derogatory to the financial condition of any
6 person, and which is calculated to injure such person.

7 ~~4.~~ d. *Boycott, coercion and intimidation.* Entering into
8 any agreement to commit, or by any concerted action committing,
9 any act of boycott, coercion or intimidation resulting in or
10 tending to result in unreasonable restraint of, or monopoly in,
11 the business of insurance.

12 ~~5.~~ e. *False statements and entries.*

13 ~~a.~~ (1) Knowingly filing with any supervisory or
14 other public official, or knowingly making, publishing,
15 disseminating, circulating or delivering to any person, or
16 placing before the public, or knowingly causing directly or
17 indirectly, to be made, published, disseminated, circulated,
18 delivered to any person, or placed before the public, any false
19 material statement of fact as to the financial condition of a
20 person.

21 ~~b.~~ (2) Knowingly making any false entry of a material fact
22 in any book, report or statement of any person or knowingly
23 omitting to make a true entry of any material fact pertaining
24 to the business of such person in any book, report or statement
25 of such person.

26 ~~6.~~ f. *Stock operations and advisory board contracts.*

27 Issuing or delivering or permitting agents, officers or
28 employees to issue or deliver, agency company stock or other
29 capital stock, or benefit certificates or shares in any common
30 law corporation, or securities or any special or advisory board
31 contracts or other contracts of any kind promising returns and
32 profits as an inducement to insurance.

33 ~~7.~~ g. *Unfair discrimination.*

34 ~~a.~~ (1) Making or permitting any unfair discrimination
35 between individuals of the same class and equal expectation of



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1 life in the rates charged for any contract of life insurance or
2 of life annuity or in the dividends or other benefits payable
3 thereon, or in any other of the terms and conditions of such
4 contract.

5 ~~b.~~ (2) Making or permitting any unfair discrimination
6 between insureds of the same class for essentially the same
7 hazard in the amount of premium, policy fees, or rates charged
8 for any policy or contract of insurance other than life or in
9 the benefits payable thereunder, or in any of the terms or
10 conditions of such contract, or in any other manner whatever.

11 ~~c.~~ (3) Making or permitting any discrimination in the sale
12 of insurance solely on the basis of domestic abuse as defined
13 in section 236.2.

14 ~~8.~~ h. *Release or use of genetic information.* Failure of a
15 person to comply with section 729.6, subsection 4.

16 ~~9.~~ i. *Rebates.*

17 ~~a.~~ (1) Except as otherwise expressly provided by law,
18 knowingly permitting or offering to make or making any
19 contract of life insurance, life annuity or accident and health
20 insurance, or agreement as to such contract other than as
21 plainly expressed in the contract issued thereon, or paying
22 or allowing, or giving or offering to pay, allow, or give,
23 directly or indirectly, as inducement to such insurance, or
24 annuity, any rebate of premiums payable on the contract, or any
25 special favor or advantage in the dividends or other benefits
26 thereon, or any valuable consideration or inducement whatever
27 not specified in the contract; or giving, or selling, or
28 purchasing or offering to give, sell, or purchase as inducement
29 to such insurance or annuity or in connection therewith, any
30 stocks, bonds, or other securities of any insurance company
31 or other corporation, association, or partnership, or any
32 dividends or profits accrued thereon, or any thing of value
33 whatsoever not specified in the contract.

34 ~~b.~~ (2) Nothing in ~~subsection 7~~ paragraph "g" or paragraph
35 ~~"a"~~ subparagraph (1) of this ~~subsection~~ paragraph "i" shall be

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1 construed as including within the definition of discrimination
2 or rebates any of the following practices:

3 ~~(1)~~ (a) In the case of any contract of life insurance or
4 life annuity, paying bonuses to policyholders or otherwise
5 rebating their premiums in whole or in part out of surplus
6 accumulated from nonparticipating insurance, provided that
7 any such bonuses or rebatement of premiums shall be fair and
8 equitable to policyholders and for the best interests of the
9 company and its policyholders.

10 ~~(2)~~ (b) In the case of life insurance policies issued on
11 the industrial debit plan, making allowance to policyholders
12 who have continuously for a specified period made premium
13 payments directly to an office of the insurer in an amount
14 which fairly represents the saving in collection expenses.

15 ~~(3)~~ (c) Readjustment of the rate of premium for a group
16 insurance policy based on the loss or expense experienced
17 thereunder, at the end of the first or any subsequent policy
18 year of insurance thereunder, which may be made retroactive
19 only for such policy year.

20 ~~e-~~ (3) (a) Paying, allowing, or giving, or offering to
21 pay, allow, or give, directly or indirectly, as an inducement
22 to purchase or acquire insurance other than life insurance,
23 life annuity, or accident and health insurance, or after
24 insurance has been effected, any rebate, discount, abatement,
25 credit, or reduction of the premium named in a policy of
26 insurance, or any special favor or advantage in the dividends
27 or other benefits to accrue on the policy, or any valuable
28 consideration or inducement, not specified in the policy,
29 except to the extent provided for in an applicable filing.
30 An insured named in a policy, or an employee of the insured,
31 shall not knowingly receive or accept, directly or indirectly,
32 any rebate, discount, abatement, credit, or reduction of
33 premium, or any such special favor or advantage or valuable
34 consideration or inducement.

35 (b) This ~~paragraph~~ ^c subparagraph (3) shall not be

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1 construed to prohibit the payment of commissions or other
2 compensation to duly licensed producers, or to prohibit
3 any insurer from allowing or returning to its participating
4 policyholders, members, or subscribers, dividends, savings, or
5 unabsorbed premium deposits. As used in this ~~paragraph "c"~~
6 subparagraph (3), "insurance" includes suretyship and "policy"
7 includes bond.

8 ~~10.~~ j. *Unfair claim settlement practices.* Committing
9 or performing with such frequency as to indicate a general
10 business practice any of the following:

11 ~~a.~~ (1) Misrepresenting pertinent facts or insurance policy
12 provisions relating to coverages of issue.

13 ~~b.~~ (2) Failing to acknowledge and act reasonably promptly
14 upon communications with respect to claims arising under
15 insurance policies.

16 ~~c.~~ (3) Failing to adopt and implement reasonable standards
17 for the prompt investigation of claims arising under insurance
18 policies.

19 ~~d.~~ (4) Refusing to pay claims without conducting a
20 reasonable investigation based upon all available information.

21 ~~e.~~ (5) Failing to affirm or deny coverage of claims within
22 a reasonable time after proof of loss statements have been
23 completed.

24 ~~f.~~ (6) Not attempting in good faith to effectuate prompt,
25 fair, and equitable settlements of claims in which liability
26 has become reasonably clear, or failing to include interest on
27 the payment of claims when required under ~~subsection 16~~
28 paragraph "p" or section 511.38.

29 ~~g.~~ (7) Compelling insureds to institute litigation to
30 recover amounts due under an insurance policy by offering
31 substantially less than the amounts ultimately recovered in
32 actions brought by such insureds.

33 ~~h.~~ (8) Attempting to settle a claim for less than the
34 amount to which a reasonable person would have believed
35 the person was entitled by reference to written or printed



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1 advertising material accompanying or made part of an
2 application.
3 ~~+~~ (9) Attempting to settle claims on the basis of an
4 application which was altered without notice to, or knowledge
5 or consent of the insured.
6 ~~+~~ (10) Making claims payments to insureds or beneficiaries
7 not accompanied by a statement setting forth the coverage under
8 which payments are being made.
9 ~~+~~ (11) Making known to insureds or claimants a policy
10 of appealing from arbitration awards in favor of insureds
11 or claimants for the purpose of compelling them to accept
12 settlements or compromises less than the amount awarded in
13 arbitration.
14 ~~+~~ (12) Delaying the investigation or payment of claims
15 by requiring an insured, claimant, or the physician of either
16 to submit a preliminary claim report and then requiring the
17 subsequent submission of formal proof of loss forms, both of
18 which submissions contain substantially the same information.
19 ~~m~~ (13) Failing to promptly settle claims, where liability
20 has become reasonably clear, under one portion of the insurance
21 policy coverage in order to influence settlements under other
22 portions of the insurance policy coverage.
23 ~~m~~ (14) Failing to promptly provide a reasonable
24 explanation of the basis in the insurance policy in relation
25 to the facts or applicable law for denial of a claim or for the
26 offer of a compromise settlement.
27 ~~o~~ (15) Failing to comply with the procedures for auditing
28 claims submitted by health care providers as set forth by rule
29 of the commissioner. However, this ~~paragraph~~ subparagraph
30 shall have no applicability to liability insurance, workers'
31 compensation or similar insurance, automobile or homeowners'
32 medical payment insurance, disability income, or long-term care
33 insurance.
34 ~~h~~ k. *Use of inquiries.* Considering either of the
35 following events for purposes of surcharging, declining,

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1 nonrenewing, or canceling personal lines property and casualty
2 insurance coverage or a binder for personal lines property and
3 casualty insurance coverage:

4 ~~a.~~ (1) An applicant's or insured's inquiry into the type
5 or level of coverage of a policy, or an inquiry into whether a
6 policy will cover a loss.

7 ~~b.~~ (2) An insured's inquiry regarding coverage of a policy
8 for a loss if the insured does not file a claim.

9 ~~12.~~ 1. *History of a property.* Declining to insure a
10 property not previously owned by an applicant for personal
11 lines property and casualty insurance, based solely on the loss
12 history of a previous owner of the property, unless the insurer
13 can provide evidence that the previous owner did not repair
14 damage to the property.

15 ~~13.~~ m. *Disclosure of use of claims history.* Failing
16 to inform an applicant at the time that an application for
17 personal lines property and casualty insurance is made, in
18 writing or in the same medium as the application is made, that
19 the insurer will consider the applicant's or insured's claims
20 history in determining whether to decline, cancel, nonrenew,
21 or surcharge such a policy, and that a claim made by an insured
22 will be reported to an insurance support organization.

23 ~~14.~~ n. *Misrepresentation in insurance applications.* Making
24 false or fraudulent statements or representations on or
25 relative to an application for an insurance policy, for the
26 purpose of obtaining a fee, commission, money, or other benefit
27 from any insurer, agent, broker, or individual.

28 ~~15.~~ o. *Omission from insurance application.* Failing to
29 designate on an insurance policy application the licensee who
30 has solicited and written the policy.

31 ~~16.~~ p. *Payment of interest.* Failure of an insurer to pay
32 interest at the rate of ten percent per annum on all health
33 insurance claims that the insurer fails to timely accept and
34 pay pursuant to section 507B.4A, subsection 2, paragraph "d".
35 Interest shall accrue commencing on the thirty-first day after

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1 receipt of all properly completed proof of loss forms.

2 ~~For purposes of this subsection, "insurer" means an entity~~
3 ~~providing a plan of health insurance, health care benefits, or~~
4 ~~health care services, or an entity subject to the jurisdiction~~
5 ~~of the commissioner performing utilization review, including~~
6 ~~an insurance company offering sickness and accident plans, a~~
7 ~~health maintenance organization, an organized delivery system~~
8 ~~authorized under 1993 Iowa Acts, ch. 158, and licensed by~~
9 ~~the department of public health, a nonprofit health service~~
10 ~~corporation, a plan established pursuant to chapter 509A~~
11 ~~for public employees, or any other entity providing a plan~~
12 ~~of health insurance, health care benefits, or health care~~
13 ~~services. However, "insurer" does not include an entity that~~
14 ~~sells disability income or long-term care insurance.~~

15 ~~17. q. Rating organizations.~~ Any violation of section
16 515F.16.

17 ~~18. r. Minor traffic violations.~~ Failure of a person to
18 comply with section 516B.3.

19 ~~19. s. Information.~~ Failing or refusing to furnish any
20 policyholder or applicant, upon reasonable request, information
21 to which that individual is entitled.

22 ~~For purposes of subsections 11, 12, and 13, "personal lines~~
23 ~~property and casualty insurance" means insurance sold to~~
24 ~~individuals and families primarily for noncommercial purposes~~
25 ~~as provided in chapter 522B.~~

26 Sec. 102. Section 507C.2, subsection 15, Code 2011, is
27 amended to read as follows:

28 15. a. "Insolvency" or "insolvent" means any of the
29 following:

30 ~~a.~~ (1) For an insurer issuing only assessable fire
31 insurance policies, either of the following:

32 (1) (a) The inability to pay any obligation within thirty
33 days after it becomes payable.

34 (2) (b) If an assessment is made, the inability to pay the
35 assessment within thirty days following the date specified in

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1 the first assessment notice issued after the date of loss.
2 ~~b-~~ (2) For any other insurer that it is unable to pay its
3 obligations when they are due, or when its admitted assets do
4 not exceed its liabilities plus the greater of:
5 ~~(1)~~ (a) Any capital and surplus required by law for its
6 organization.
7 ~~(2)~~ (b) The total par or stated value of its authorized and
8 issued capital stock.
9 ~~c-~~ (3) As to an insurer licensed to do business in this
10 state as of July 1, 1984, which does not meet the standard
11 established under ~~paragraph "b"~~ subparagraph (2), the term
12 "insolvency" or "insolvent" shall mean, for a period not to
13 exceed three years from July 1, 1984, that it is unable to
14 pay its obligations when they are due or that its admitted
15 assets do not exceed its liabilities plus any required capital
16 contribution ordered by the commissioner under provisions of
17 the insurance law.
18 b. For purposes of this subsection "liabilities" includes
19 but is not limited to reserves required by statute or by
20 the division's rules or specific requirements imposed by the
21 commissioner upon a company at the time of or subsequent to
22 admission.
23 Sec. 103. Section 508.8, Code 2011, is amended to read as
24 follows:
25 **508.8 Insurance company officers — conflicts of interest —**
26 **exceptions.**
27 1. As used in this section, "employee" includes but is not
28 limited to the officers of a life insurance company.
29 2. A director or officer of a life insurance company shall
30 not receive, in addition to fixed salary or compensation,
31 money or other valuable thing, either directly or indirectly,
32 or through a substantial interest in another corporation or
33 business unit, for negotiating, procuring, recommending or
34 aiding in the purchase or sale of property, or loan, made
35 by the insurer or an affiliate or subsidiary of the insurer;

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1 nor shall a director or officer be pecuniarily interested,
2 either as principal, coprincipal, agent or beneficiary, either
3 directly or indirectly, or through a substantial interest in
4 another corporation or business unit, in the purchase, sale
5 or loan. However, a life insurance company, in connection
6 with the relocation of the place of employment of an employee
7 including relocation upon the initial employment of the
8 employee, may do either of the following:

9 ~~1-~~ a. Make a mortgage loan on real property owned by the
10 employee which is to serve as the employee's dwelling.

11 ~~2-~~ b. Acquire at not more than fair market value the
12 dwelling which the employee vacates upon relocation.

13 ~~As used in this section, "employee" includes but is not~~
14 ~~limited to the officers of a life insurance company.~~

15 Sec. 104. Section 508.36, subsection 3, paragraphs e and f,
16 Code 2011, are amended to read as follows:

17 e. (1) For total and permanent disability benefits in or
18 supplementary to ordinary policies or contracts, the following:

19 ~~(1)~~ (a) For policies or contracts issued on or after
20 January 1, 1966, the tables of period 2 disablement rates and
21 the 1930 to 1950 termination rates of the 1952 disability study
22 of the society of actuaries, with due regard to the type of
23 benefit, or any tables of disablement rates and termination
24 rates adopted after 1980 by the national association of
25 insurance commissioners and approved by rule adopted by the
26 commissioner for use in determining the minimum standard of
27 valuation for such policies.

28 ~~(2)~~ (b) For policies or contracts issued on or after
29 January 1, 1961, and prior to January 1, 1966, either of the
30 tables identified under subparagraph ~~(1)~~ division (a), or at
31 the option of the company, the class (3) disability table
32 (1926).

33 ~~(3)~~ (c) For policies issued prior to January 1, 1961, the
34 class (3) disability table (1926).

35 (2) A table used under this paragraph "e" shall, for

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1 active lives, be combined with a mortality table permitted for
2 calculating the reserves for life insurance policies.

3 *f.* (1) For accidental death benefits in or supplementary to
4 policies, the following:

5 ~~(1)~~ (a) For policies issued on or after January 1, 1966,
6 the 1959 accidental death benefits table, or any accidental
7 death benefits table adopted after 1980 by the national
8 association of insurance commissioners and approved by rule
9 adopted by the commissioner for use in determining the minimum
10 standard of valuation for such policies.

11 ~~(2)~~ (b) For policies issued on or after January 1, 1961,
12 and prior to January 1, 1966, either of the tables identified
13 under subparagraph ~~(1)~~ division (a), or at the option of the
14 company, the intercompany double indemnity mortality table.

15 ~~(3)~~ (c) For policies issued prior to January 1, 1961, the
16 intercompany double indemnity mortality table.

17 (2) A table used under this paragraph *f* shall be combined
18 with a mortality table for calculating the reserves for life
19 insurance policies.

20 Sec. 105. Section 508.37, subsection 5, paragraphs a and c,
21 Code 2011, are amended to read as follows:

22 *a.* (1) This subsection does not apply to policies issued
23 on or after the operative date of subsection 6 as defined
24 in paragraph *k* of that subsection. Except as provided in
25 paragraph *c*, the adjusted premiums for any policy shall
26 be calculated on an annual basis and shall be such uniform
27 percentage of the respective premiums specified in the policy
28 for each policy year, excluding any extra premiums charged
29 because of impairments or special hazards, that the present
30 value, at the date of issue of the policy, of all such adjusted
31 premiums is equal to the sum of the following:

32 ~~(1)~~ (a) The then present value of the future guaranteed
33 benefits provided for by the policy.

34 ~~(2)~~ (b) Two percent of the amount of the insurance, if the
35 insurance is uniform in amount, or of the equivalent uniform

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1 amount, as defined in paragraph "b", if the amount of insurance
2 varies with duration of the policy.

3 ~~(3)~~ (c) Forty percent of the adjusted premium for the first
4 policy year.

5 ~~(4)~~ (d) Twenty-five percent of either the adjusted premium
6 for the first policy year or the adjusted premium for a whole
7 life policy of the same uniform or equivalent uniform amount
8 with uniform premiums for the whole of life issued at the same
9 age for the same amount of insurance, whichever is less.

10 (2) However, in applying the percentages specified in
11 ~~subparagraphs (3) and (4)~~ subparagraph divisions (c) and (d),
12 no adjusted premium shall be deemed to exceed four percent of
13 the amount of insurance or an equivalent uniform amount. The
14 date of issue of a policy for the purpose of this subsection
15 is the date as of which the rated age of the insured is
16 determined.

17 c. The adjusted premiums for a policy providing term
18 insurance benefits by rider or supplemental policy provision
19 shall be equal to (1) the adjusted premiums for an otherwise
20 similar policy issued at the same age without such term
21 insurance benefits, increased during the period for which
22 premiums for such term insurance benefits are payable, by (2)
23 the adjusted premiums for such term insurance, the foregoing
24 items (1) and (2) being calculated separately and as specified
25 in paragraphs "a" and "b" of this subsection except that, for
26 the purposes of ~~subparagraphs (2), (3), and (4)~~ of paragraph
27 "a", subparagraph (1), subparagraph divisions (b), (c), and
28 (d), the amount of insurance or equivalent uniform amount of
29 insurance used in the calculation of the adjusted premiums
30 referred to in item (2) in this paragraph shall be equal to the
31 excess of the corresponding amount determined for the entire
32 policy over the amount used in the calculation of the adjusted
33 premiums in item (1) in this paragraph.

34 Sec. 106. Section 508.38, subsection 3, paragraphs a and b,
35 Code 2011, are amended to read as follows:

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1 a. (1) The minimum nonforfeiture amount at any time at
2 or prior to the commencement of any annuity payments shall be
3 equal to an accumulation up to such time at rates of interest
4 as indicated in paragraph "b" of the net considerations (as
5 hereinafter defined) paid prior to such time, decreased by the
6 sum of all of the following:

7 ~~(1)~~ (a) Any prior withdrawals from or partial surrenders
8 of the contract accumulated at rates of interest as indicated
9 in paragraph "b".

10 ~~(2)~~ (b) An annual contract charge of fifty dollars,
11 accumulated at rates of interest as indicated in paragraph "b".

12 ~~(3)~~ (c) The amount of any indebtedness to the company on
13 the contract, including interest due and accrued.

14 (2) The net considerations for a given contract year
15 used to define the minimum nonforfeiture amount shall be an
16 amount equal to eighty-seven and one-half percent of the gross
17 considerations credited to the contract during the contract
18 year.

19 b. (1) The interest rate used in determining minimum
20 nonforfeiture amounts shall be an annual rate of interest
21 determined as the lesser of three percent per annum and all of
22 the following, which shall be specified in the contract if the
23 interest rate will be reset:

24 ~~(1)~~ (a) The five-year constant maturity treasury rate
25 reported by the federal reserve as of a date, or average over a
26 period, rounded to the nearest one-twentieth of one percent,
27 specified in the contract no longer than fifteen months prior
28 to the contract issue date or redetermination date under
29 subparagraph ~~(4)~~ division (d).

30 ~~(2)~~ (b) The result of subparagraph ~~(1)~~ division (a) shall
31 be reduced by one hundred twenty-five basis points.

32 ~~(3)~~ (c) The resulting interest guarantee shall not be less
33 than one percent.

34 ~~(4)~~ (d) The interest rate shall apply for an initial
35 period and may be redetermined for additional periods. The

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1 redetermination date, basis, and period, if any, shall be
2 stated in the contract. The basis is the date or average
3 over a specified period that produces the value of the
4 five-year constant maturity treasury rate to be used at each
5 redetermination date.

6 (2) During the period or term that a contract provides
7 substantive participation in an equity indexed benefit, it
8 may increase the reduction described in subparagraph ~~(2)~~
9 (1), subparagraph division (b), by up to an additional one
10 hundred basis points to reflect the value of the equity index
11 benefit. The present value at the contract issue date and
12 at each redetermination date thereafter of the additional
13 reduction shall not exceed the market value of the benefit.
14 The commissioner may require a demonstration that the present
15 value of the reduction does not exceed the market value of the
16 benefit. Lacking such a demonstration that is acceptable to
17 the commissioner, the commissioner may disallow or limit the
18 additional reduction.

19 (3) The commissioner may adopt rules to implement the
20 provisions of subparagraph ~~(4)~~ (1), subparagraph division (d),
21 and to provide for further adjustments to the calculation
22 of minimum nonforfeiture amounts for contracts that provide
23 substantive participation in an equity index benefit and for
24 other contracts that the commissioner determines adjustments
25 are justified.

26 Sec. 107. Section 508C.12, subsection 1, paragraph a, Code
27 Supplement 2011, is amended to read as follows:

28 a. (1) Notify the commissioners or insurance departments
29 of other states or territories of the United States and the
30 District of Columbia when any of the following actions against
31 a member insurer is taken:

32 ~~(1)~~ (a) A license is revoked.

33 ~~(2)~~ (b) A license is suspended.

34 ~~(3)~~ (c) A formal order is made that a company restrict its
35 premium writing, obtain additional contributions to surplus,

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1 withdraw from the state, reinsure all or any part of its
2 business, or increase capital, surplus, or any other account
3 for the security of policyholders or creditors.

4 (2) Notice shall be mailed to the commissioners or
5 departments within thirty days following the earlier of when
6 the action was taken or the date on which the action occurs.
7 This subparagraph does not supersede section 507C.9, subsection
8 5.

9 Sec. 108. Section 509.1, subsection 2, Code 2011, is amended
10 to read as follows:

11 2. a. A policy issued to any one of the following to be
12 considered the policyholder:

13 ~~a.~~ (1) An advisory, supervisory, or governing body or
14 bodies of a regularly organized religious denomination to
15 insure its clergy, priests, or ministers of the gospel.

16 ~~b.~~ (2) A teachers' association, to insure its members.

17 ~~c.~~ (3) A lawyers' association, to insure its members.

18 ~~d.~~ (4) A volunteer fire company, to insure all of its
19 members.

20 ~~e.~~ (5) A fraternal society or association, or any
21 subordinate lodge or branch thereof, to insure its members.

22 ~~f.~~ (6) A common principal of any group of persons similarly
23 engaged between whom there exists a contractual relationship,
24 to insure the members of such group.

25 ~~g.~~ (7) An association, the members of which are students,
26 teachers, administrators or officials of any elementary or
27 secondary school or of any college, to insure the members
28 thereof. For the purpose of this ~~paragraph~~ subparagraph, the
29 students, teachers, administrators or officials of or for any
30 such school or college shall constitute an association.

31 b. ~~Provided that the~~ The provisions and requirements
32 of subsection 1 ~~of this section~~ shall apply to such the
33 policy and the policyholder and insured in like the same
34 manner as ~~said~~ subsection 1 ~~of this section~~ applies to
35 employers and employees, except that if a policy is issued

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1 to a volunteer fire company or an association, the members
2 of which are students, teachers, administrators or officials
3 of any elementary or secondary school or of any college, the
4 requirement for twenty-five members shall not apply, and, if
5 issued to a teachers' association or lawyers' association, not
6 less than sixty-five percent of the members thereof may be
7 insured.

8 Sec. 109. Section 509A.15, subsections 1 and 4, Code 2011,
9 are amended to read as follows:

10 1. a. Within ninety days following the end of a fiscal
11 year, the governing body of a self-insurance plan of a
12 political subdivision or a school corporation shall file with
13 the commissioner of insurance a certificate of compliance,
14 actuarial opinion, and an annual financial report. The
15 filing shall be accompanied by a fee of one hundred dollars.
16 A penalty of fifteen dollars per day shall be assessed for
17 failure to comply with the ninety-day filing requirement,
18 except that the commissioner may waive the penalty upon a
19 showing that special circumstances exist which justify the
20 waiver. The certificate shall be signed and dated by the
21 appropriate public official representing the governing body,
22 and shall certify the following:

23 ~~a.~~ (1) That the plan meets the requirements of this chapter
24 and the applicable provisions of the Iowa administrative code.

25 ~~b.~~ (2) That an actuarial opinion has been attached to
26 the certificate which attests to the adequacy of reserves,
27 rates, and financial condition of the plan. ~~The actuarial~~
28 ~~opinion must include, but is not limited to, a brief commentary~~
29 ~~about the adequacy of the reserves, rates, and the financial~~
30 ~~condition of the plan, a test of the prior year claim reserve,~~
31 ~~a brief description of how the reserves were calculated,~~
32 ~~and whether or not the plan is able to cover all reasonably~~
33 ~~anticipated expenses. The actuarial opinion shall be prepared,~~
34 ~~signed, and dated by a person who is a member of the American~~
35 ~~academy of actuaries. If necessary, the actuary should assist~~

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1 ~~the public body in preparing the annual financial report. The~~
2 ~~annual financial report shall be in a format as prescribed by~~
3 ~~the commissioner.~~

4 ~~c.~~ (3) That a written complaint procedure has been
5 implemented. The certificate shall also list the number of
6 complaints filed by participants under the written complaint
7 procedure, and the percentage of participants filing written
8 complaints, in the prior fiscal year.

9 ~~d.~~ (4) That the governing body has contracted or otherwise
10 arranged with a third-party administrator who holds a current
11 certificate of registration issued by the commissioner pursuant
12 to section 510.21, or with a person not required to obtain
13 the certificate as a third-party administrator as defined in
14 section 510.11, subsection 2.

15 b. The actuarial opinion must include but is not limited to
16 a brief commentary about the adequacy of the reserves, rates,
17 and the financial condition of the plan, a test of the prior
18 year claim reserve, a brief description of how the reserves
19 were calculated, and whether or not the plan is able to cover
20 all reasonably anticipated expenses. The actuarial opinion
21 shall be prepared, signed, and dated by a person who is a
22 member of the American academy of actuaries.

23 c. If necessary, the actuary should assist the public body
24 in preparing the annual financial report. The annual financial
25 report shall be in a format as prescribed by the commissioner.

26 4. a. One or more political subdivisions of the state
27 or one or more school corporations maintaining self-insured
28 plans with yearly claims that do not exceed two percent of
29 each entity's general fund budget shall be exempt from the
30 requirements of this section where the plan insures employees
31 for all or part of a deductible, coinsurance payments, drug
32 costs, short-term disability benefits, vision benefits, or
33 dental benefits.

34 b. The yearly claim amount shall be determined annually on
35 the policy renewal date, or an alternative date established



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1 by rule, by a plan administrator or political subdivision
2 or school corporation employee to be designated by the plan
3 administrator. The exemption shall not apply for the year
4 following a year in which yearly claims are determined to
5 exceed two percent of the political subdivision's or school
6 corporation's general fund budget.

7 Sec. 110. Section 511.8, unnumbered paragraphs 1 and 2, Code
8 Supplement 2011, are amended to read as follows:

9 A company organized under chapter 508 shall, at all times,
10 have invested in the securities provided in this section,
11 funds equivalent to its legal reserve. Legal reserve is the
12 net present value of all outstanding policies and contracts
13 involving life contingencies. This section does not prohibit
14 a company or association from holding a portion of its
15 legal reserve in cash. The investment programs developed
16 by companies shall take into account the safety of the
17 company's principal, investment yield and return, stability
18 in the value of the investment, and liquidity necessary to
19 meet the company's expected business needs and investment
20 diversification.

21 ~~The investment programs developed by companies shall take~~
22 ~~into account the safety of the company's principal, investment~~
23 ~~yield and return, stability in the value of the investment, and~~
24 ~~liquidity necessary to meet the company's expected business~~
25 ~~needs and investment diversification.~~

26 Sec. 111. Section 511.8, subsections 6, 8, 13, 15, 17, 19,
27 and 20, Code Supplement 2011, are amended to read as follows:

28 6. *Preferred and guaranteed stocks.*

29 a. Subject to the restrictions contained in subsection
30 8 hereof, preferred stocks of, or stocks guaranteed by, a
31 corporation incorporated under the laws of the United States
32 of America, or of any state, district, insular or territorial
33 possession thereof; or of the Dominion of Canada, or any
34 province thereof; and which meet the following qualifications:

35 ~~a.~~ (1) Preferred stocks.

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1 ~~(1)~~ (a) All of the obligations and preferred stocks of
2 the issuing corporation, if any, prior to the preferred stock
3 acquired must be eligible as investments under this section as
4 of the date of acquisition; and

5 ~~(2)~~ (b) The net earnings available for fixed charges and
6 preferred dividends of the issuing corporation shall have
7 been, for each of the five fiscal years immediately preceding
8 the date of acquisition, not less than one and one-half times
9 the sum of the annual fixed charges and contingent interest,
10 if any, and the annual preferred dividend requirements as of
11 the date of acquisition; or at the date of acquisition the
12 preferred stock has investment qualities and characteristics
13 wherein speculative elements are not predominant.

14 (i) The term "*preferred dividend requirements*" shall mean
15 cumulative or noncumulative dividends whether paid or not.

16 (ii) The term "*fixed charges*" shall be construed in
17 accordance with subsection 5 ~~above~~.

18 (iii) The term "*net earnings available for fixed charges and*
19 *preferred dividends*" as used herein shall mean the net income
20 after deducting all operating and maintenance expenses, taxes,
21 including any income taxes, depreciation and depletion, but
22 nonrecurring items may be excluded.

23 ~~b.~~ (2) Guaranteed stocks.

24 ~~(1)~~ (a) All of the fixed interest-bearing obligations of
25 the guaranteeing corporation, if any, must be eligible under
26 this section as of the date of acquisition; and

27 ~~(2)~~ (b) The net earnings available for fixed charges
28 of the guaranteeing corporation shall meet the requirements
29 outlined in paragraph "a" of subsection 5 ~~above~~, except that all
30 guaranteed dividends shall be included in "*fixed charges*".

31 b. Any investments in preferred stocks or guaranteed
32 stocks made under the provisions of this subsection shall be
33 considered as moneys and credits for purposes of taxation
34 and their assessment shall be subject to deductions for
35 indebtedness as provided by law in the case of assessment

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1 of moneys and credits in general. This provision shall be
2 effective as to assessments made during the year 1947 and
3 thereafter.

4 8. *Further restrictions.* Securities included under
5 subsections 5, 6, and 7 shall not be eligible:

6 a. If the corporation is in default on fixed obligations as
7 of the date of acquisition. Securities provided in ~~paragraph~~
8 ~~"a"~~ of subsection 6, paragraph "a", subparagraph (1), shall
9 not be eligible if the issuing corporation is in arrears with
10 respect to the payment of any preferred dividends as of the
11 date of acquisition.

12 b. The investments of any company or association in
13 such securities shall not be eligible in excess of the
14 following percentages of the legal reserve of such company or
15 association:

16 (1) With the exception of public securities, two percent
17 of the legal reserve in the securities of any one corporation.
18 Five percent of the legal reserve in the securities of any one
19 public utility corporation.

20 (2) Seventy-five percent of the legal reserve in the
21 securities described in subsection 5 issued by other than
22 public utility corporations. Fifty percent of the legal
23 reserve in the securities described in subsection 5 issued by
24 public utility corporations.

25 (3) Ten percent of the legal reserve in the securities
26 described in subsection 6.

27 (4) Ten percent of the legal reserve in the securities
28 described in subsection 7.

29 c. Statements adjusted to show the actual condition at
30 the time of acquisition or the effect of new financing,
31 known commercially as pro forma statements, may be used in
32 determining whether investments under subsections 5 and 6 are
33 in compliance with requirements. Statements so adjusted or
34 consolidated statements may be used in order to include the
35 earnings of all predecessor, merged, consolidated, or purchased



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1 companies.

2 *d.* In addition to the restrictions contained in paragraphs
3 "*a*" and "*b*", the investments of any company or association in
4 securities included under subsection 5, paragraph "*c*", are not
5 eligible in excess of two percent of the legal reserve, but not
6 more than one-eighth of one percent of the legal reserve shall
7 be invested in the securities of any one corporation.

8 13. *Collateral loans.* Loans secured by collateral
9 consisting of any securities qualified in this section,
10 provided the amount of the loan is not in excess of ninety
11 percent of the value of the securities. Provided further that
12 subsection 8 shall apply to the collateral securities pledged
13 to the payment of loans authorized in this subsection.

14 ~~Provided further that subsection 8 of this section shall~~
15 ~~apply to the collateral securities pledged to the payment of~~
16 ~~loans authorized in this subsection.~~

17 15. *Railroad obligations.*

18 *a.* Bonds or other evidences of indebtedness which carry a
19 fixed rate of interest and are issued, assumed or guaranteed
20 by any railroad company incorporated under the laws of the
21 United States of America, or of any state, district, insular
22 or territorial possessions thereof, not in reorganization or
23 receivership at the time of such investment, provided that the
24 railroad company:

25 ~~a.~~ (1) Shall have had for the three-year period immediately
26 preceding investment, for which the necessary data for the
27 railroad company shall have been published, a balance of income
28 available for fixed charges which shall have averaged per year
29 not less than one and one-quarter times the fixed charges for
30 the latest year of the period; and

31 ~~b.~~ (2) Shall have had for the three-year period immediately
32 preceding investment, for which the necessary data for both
33 the railroad company and all class I railroads shall have been
34 published:

35 ~~(1)~~ (a) A balance of income available for the payment of

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1 fixed charges at least as many times greater than the fixed
2 charges for the latest year of the period as the balance of
3 income available for the payment of fixed charges of all class
4 I railroads for the same three-year period is times greater
5 than the amount of all fixed charges for such class I railroads
6 for the latest year of the period; and

7 ~~(2)~~ (b) An amount of railway operating revenues remaining
8 after deduction of three times the fixed charges for the
9 latest year of the period from the balance of income available
10 for the payment of fixed charges for the three-year period,
11 which amount is as great a proportion of its railway operating
12 revenues for the same three-year period as is the proportion of
13 railway operating revenues remaining for all class I railroads,
14 determined in the same manner and for the same period as for
15 the railroad.

16 b. The terms "*class I railroads*", "*balance of income*
17 *available for the payment of fixed charges*", "*fixed charges*"
18 and "*railway operating revenues*" when used in this subsection,
19 are to be given the same meaning as in the accounting reports
20 filed by a railroad company in accordance with the regulations
21 for common carriers by rail of the Interstate Commerce Act,
22 24 Stat. 379, codified at 49 U.S.C. § 1 - 40, 1001 - 1100,
23 provided that the "*balance of income available for the payment*
24 *of fixed charges*" and "*railway operating revenues remaining*",
25 as the terms are used in this subsection, shall be computed
26 before deduction of federal income or excess profits taxes;
27 and that in computing "*fixed charges*" there shall be excluded
28 interest and amortization charges applicable to debt called for
29 redemption or which will otherwise mature within six months
30 from the time of investment and for the payment of which funds
31 have been or currently are being specifically set aside.

32 c. The eligibility of railroad obligations described
33 ~~in the first sentence of this subsection~~ paragraph "a",
34 unnumbered paragraph 1, shall be determined exclusively
35 as provided herein, without regard to the provisions for

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1 qualification contained in subsections 5 and 8 ~~of this section.~~
2 Provisions for qualification contained in this section shall
3 not be construed as applying to equipment trust obligations,
4 guaranteed stocks, or contingent interest bonds of railroad
5 companies. Investments made in accordance with the provisions
6 of this subsection shall not be eligible in excess of ten
7 percent of the legal reserve.

8 17. *Rules of valuation.*

9 a. (1) All bonds or other evidences of debt having a fixed
10 term and rate of interest, if amply secured and not in default
11 as to principal or interest, may be valued as follows:

12 ~~(1)~~ (a) If purchased at par, at the par value.

13 ~~(2)~~ (b) If purchased above or below par, on the basis of
14 the purchase price adjusted so as to bring the value to par at
15 maturity and so as to yield in the meantime the effective rate
16 of interest at which the purchase was made.

17 (2) In applying the ~~above~~ rule contained in subparagraph
18 (1), the purchase price shall in no case be taken at a higher
19 figure than the actual market value at the time of purchase.

20 b. Certificates of sale obtained by foreclosure of liens on
21 real estate shall be valued in an amount not greater than the
22 unpaid principal of the defaulted indebtedness plus any amounts
23 actually expended for taxes and acquisition costs.

24 c. (1) All investments, except those for which a specific
25 rule is provided in this subsection, shall be valued at
26 their market value, or at their appraised value, or at prices
27 determined by the commissioner of insurance as representing
28 their fair market value, or at a value as determined under
29 rules adopted by the national association of insurance
30 commissioners.

31 (2) The commissioner of insurance shall have full
32 discretion in determining the method of calculating values
33 according to the foregoing rules, but no company or association
34 shall be prevented from valuing any asset at an amount less
35 than that provided by this subsection.

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1 19. *Other foreign government or corporate obligations.* Bonds
2 or other evidences of indebtedness, not to include currency,
3 issued, assumed, or guaranteed by a foreign government other
4 than Canada, or by a corporation incorporated under the laws
5 of a foreign government other than Canada. Such governmental
6 obligations must be valid, legally authorized and issued,
7 and on the date of acquisition have predominantly investment
8 qualities and characteristics as provided by rule. Such
9 corporate obligations must meet the qualifications established
10 in subsection 5 for bonds and other evidences of indebtedness
11 issued, assumed, or guaranteed by a corporation incorporated
12 under the laws of the United States or Canada. Foreign
13 investments authorized by this subsection are not eligible
14 in excess of twenty percent of the legal reserve of the life
15 insurance company or association. Investments in obligations
16 of a foreign government, other than Canada and the United
17 Kingdom, are not eligible in excess of two percent of the
18 legal reserve in the securities of foreign governments of any
19 one foreign nation. Investments in obligations of the United
20 Kingdom are not eligible in excess of four percent of the legal
21 reserve. Investments in a corporation incorporated under the
22 laws of a foreign government other than Canada are not eligible
23 in excess of two percent of the legal reserve in the securities
24 of any one foreign corporation.

25 a. Eligible investments in foreign obligations under this
26 subsection are limited to the types of obligations specifically
27 referred to in this subsection. This subsection in no way
28 limits or restricts investments in Canadian obligations and
29 securities specifically authorized in other subsections of this
30 section.

31 b. This subsection shall not authorize investment in
32 evidences of indebtedness issued, assumed, or guaranteed by a
33 foreign government which engages in a consistent pattern of
34 gross violations of human rights.

35 20. *Venture capital funds.*

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1 a. Shares or equity interests in venture capital funds which
2 agree to invest an amount equal to at least fifty percent of
3 the funds in small businesses having their principal offices
4 within this state and having either more than one half of
5 their assets within this state or more than one half of their
6 employees employed within this state. A company shall not
7 invest more than five percent of its legal reserve under this
8 subsection.

9 b. For purposes of this subsection, "*venture capital*
10 *fund*" means a corporation, partnership, proprietorship, or
11 other entity formed under the laws of the United States, or
12 a state, district, or territory of the United States, whose
13 principal business is or will be the making of investments in,
14 and the provision of significant managerial assistance to,
15 small businesses which meet the small business administration
16 definition of small business. "*Equity interests*" means limited
17 partnership interests and other equity interests in which
18 liability is limited to the amount of the investment, but does
19 not mean general partnership interests or other interests
20 involving general liability. "*Venture capital fund*" includes an
21 equity interest in the Iowa fund of funds as defined in section
22 15E.62.

23 ~~"Venture capital fund" includes an equity interest in the~~
24 ~~Iowa fund of funds as defined in section 15E.62.~~

25 Sec. 112. Section 512B.6, subsection 1, Code 2011, is
26 amended to read as follows:

27 1. a. A society shall operate for the benefit of members
28 and their beneficiaries by fulfilling both of the following
29 purposes:

30 ~~a.~~ (1) Providing benefits as specified in section 512B.16.

31 ~~b.~~ (2) Operating for one or more social, intellectual,
32 educational, charitable, benevolent, moral, fraternal,
33 patriotic, or religious purposes for the benefit of its
34 members, which may also be extended to others.

35 b. The purposes listed in this subsection may be carried

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1 out directly by the society, or indirectly through subsidiary
2 corporations or affiliated organizations.

3 Sec. 113. Section 512B.19, subsection 4, Code 2011, is
4 amended to read as follows:

5 4. a. A society shall provide in its laws that if its
6 reserves as to all or any class of certificates become
7 impaired, its supreme governing body or board of directors may
8 require that there be paid by the owners to the society the
9 amount of the owners' equitable proportion of the deficiency
10 as ascertained by its governing body or board, and that if the
11 payment is not made either of the following will apply:

12 ~~a.~~ (1) The required payment or assessment shall stand as
13 an indebtedness against the certificate and draw interest not
14 to exceed the rate specified for certificate loans under the
15 certificates.

16 ~~b.~~ (2) In lieu of or in combination with ~~paragraph~~
17 ~~"a"~~ subparagraph (1), the owner may accept a proportionate
18 reduction in benefits under the certificate.

19 b. The society may specify the manner of the election and
20 which alternative is to be presumed if no election is made.

21 Sec. 114. Section 512B.23, subsection 2, Code 2011, is
22 amended to read as follows:

23 2. a. The minimum standards of valuation for certificates
24 issued on or after January 1, 1991, shall be based on the
25 following tables:

26 ~~a.~~ (1) For certificates of life insurance, the
27 commissioner's 1980 standard ordinary mortality table or any
28 more recent table made applicable to life insurers.

29 ~~b.~~ (2) For annuity and pure endowment certificates, for
30 total and permanent disability benefits, for accidental death
31 benefits and for noncancelable accident and health benefits,
32 the tables authorized for use by life insurers in this state.

33 b. ~~Paragraphs "a" and "b"~~ Paragraph "a", subparagraphs (1)
34 and (2) are under valuation methods and standards, including
35 interest assumptions, in accordance with the laws of this state

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1 applicable to life insurers issuing policies containing like
2 benefits.

3 Sec. 115. Section 514A.1, Code 2011, is amended to read as
4 follows:

5 **514A.1 Definition of accident and sickness insurance policy.**

6 1. ~~"Policy of accident and sickness insurance" as used in~~
7 this chapter As used in this chapter, "policy of accident and
8 sickness insurance" includes a policy or contract covering
9 insurance against loss resulting from sickness, or from bodily
10 injury or death by accident, or both. For the purposes of this
11 chapter the words "policy of accident and sickness insurance"
12 are interchangeable without deviation of meaning with the words
13 "policy of accident and health insurance" or the words ~~"policy~~
14 ~~of accident or health insurance."~~ "policy of accident or health
15 insurance".

16 2. This chapter applies to all individual policies of such
17 accident and sickness insurance written by Iowa or non-Iowa
18 companies or associations duly licensed under chapter 508, 515,
19 or 520 and, societies, orders, or associations licensed under
20 chapter 512B writing sickness and accident policies providing
21 benefits for loss of time.

22 3. Orders, societies or associations which admit to
23 membership only persons engaged in one or more crafts or
24 hazardous occupations in the same or similar lines of business
25 and the societies or auxiliaries to such orders shall not
26 be subject to the provisions of this chapter nor shall any
27 religious order be subject to the provisions of this chapter.

28 Sec. 116. Section 514B.3, Code 2011, is amended to read as
29 follows:

30 **514B.3 Application for a certificate of authority.**

31 1. An application for a certificate of authority shall be
32 verified by an officer or authorized representative of the
33 health maintenance organization, shall be in a form prescribed
34 by the commissioner, and shall set forth or be accompanied by
35 the following:

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- 1 ~~1-~~ a. A copy of the basic organizational document, if
2 any, of the applicant such as the articles of incorporation,
3 articles of association, partnership agreement, trust
4 agreement, or other applicable documents, and all of its
5 amendments.
- 6 ~~2-~~ b. A copy of the bylaws, rules or similar document,
7 if any, regulating the conduct of the internal affairs of the
8 applicant.
- 9 ~~3-~~ c. A list of the names, addresses and official positions
10 of the persons who are to be responsible for the conduct of
11 the affairs of the applicant, including all members of the
12 board of directors, board of trustees, executive committee, or
13 other governing board or committee, the principal officers if
14 a corporation and the partners or members if a partnership or
15 association.
- 16 ~~4-~~ d. A copy of any contract made or to be made between any
17 providers or persons listed in ~~subsection 3~~ paragraph "c" and
18 the applicant.
- 19 ~~5-~~ e. A statement generally describing the health
20 maintenance organization including, but not limited to, a
21 description of its facilities and personnel.
- 22 ~~6-~~ f. A copy of the form of evidence of coverage.
- 23 ~~7-~~ g. A copy of the form of the group contract, if any,
24 which is to be issued to employers, unions, trustees or other
25 organizations.
- 26 ~~8-~~ h. Financial statements showing the applicant's
27 assets, liabilities and sources of financial support. If the
28 applicant's financial affairs are audited by an independent
29 certified public accountant, a copy of the applicant's most
30 recent regular certified financial statement shall satisfy this
31 requirement unless the commissioner directs that additional
32 financial information is required for the proper administration
33 of this chapter.
- 34 ~~9-~~ i. A description of the proposed method of marketing the
35 plan, a financial plan which includes a three-year projection

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1 of operating results anticipated, and a statement as to the
2 sources of funding.

3 ~~10.~~ j. A power of attorney executed by any applicant
4 appointing the commissioner, the commissioner's successors in
5 office, and deputies to receive process in any legal action or
6 proceeding against the health maintenance organization on a
7 cause of action arising in this state.

8 ~~11.~~ k. A statement reasonably describing the geographic
9 area to be served.

10 ~~12.~~ l. A description of the complaint procedures to be
11 utilized as required under section 514B.14.

12 ~~13.~~ m. A description of the procedures and programs to be
13 implemented to meet the requirements for quality of health care
14 as determined by the director of public health under section
15 514B.4.

16 ~~14.~~ n. A description of the mechanism by which enrollees
17 shall be allowed to participate in matters of policy and
18 operation as required by section 514B.7.

19 ~~15.~~ o. Other information the commissioner finds reasonably
20 necessary to make the determinations required in section
21 514B.5.

22 2. A health maintenance organization shall, unless
23 otherwise provided for in this chapter, file notice with the
24 commissioner and receive approval from the commissioner before
25 modifying the operations described in the information required
26 by this section.

27 3. Upon receipt of an application for a certificate
28 of authority, the commissioner shall immediately transmit
29 copies of the application and accompanying documents to the
30 director of public health and the affected regional health
31 planning council, as authorized by Pub L. No. 89-749, 42 U.S.C.
32 § 246(b)2b, for their nonbinding consultation and advice.

33 Sec. 117. Section 514B.5, Code 2011, is amended to read as
34 follows:

35 **514B.5 Issuance and denial of a certificate of authority.**

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1 1. The commissioner shall issue or deny a certificate
2 of authority to any person filing an application pursuant to
3 section 514B.3 within a reasonable period of time. Issuance
4 of a certificate of authority shall be granted upon payment
5 of the application fee prescribed in section 514B.22 if the
6 commissioner is satisfied that the following conditions are
7 met:

8 ~~1-~~ a. The persons responsible for the conduct of the
9 affairs of the applicant are competent and trustworthy.

10 ~~2-~~ b. The commissioner finds that the health maintenance
11 organization's proposed plan of operation meets the
12 requirements of section 514B.4.

13 ~~3-~~ c. The health maintenance organization provides or
14 arranges for the provision of basic health care services
15 on a prepaid basis, except that the health maintenance
16 organization may impose deductible and coinsurance charges
17 subject to approval by the commissioner. The commissioner
18 has the authority to promulgate rules pursuant to chapter 17A
19 establishing reasonable maximum deductible and coinsurance
20 charges which may be imposed by health maintenance
21 organizations.

22 ~~4-~~ d. The health maintenance organization is fiscally
23 sound and may reasonably be expected to meet its obligations
24 to enrollees. In making this determination, the commissioner
25 may consider:

26 ~~a-~~ (1) The financial soundness of the health maintenance
27 organization's arrangements for health care services in
28 relation to its schedule of charges.

29 ~~b-~~ (2) The adequacy of the health maintenance
30 organization's working capital.

31 ~~c-~~ (3) Any agreement made by the health maintenance
32 organization with an insurer, a corporation authorized under
33 chapter 514 or any other organization for insuring the payment
34 of the cost of health care services or for providing immediate
35 alternative coverage in the event of discontinuance of the

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1 health maintenance organization.
2 ~~d.~~ (4) Any agreement made with providers for the provision
3 of health care services.
4 ~~e.~~ (5) Any surety bond or deposit of cash or securities
5 submitted in accordance with section 514B.16.
6 ~~5.~~ e. The enrollees may participate in matters of policy
7 and operation pursuant to section 514B.7.
8 ~~6.~~ f. Nothing in the proposed method of operation as shown
9 by the information submitted pursuant to section 514B.3 or by
10 independent investigation is contrary to the public interest.
11 2. A certificate of authority shall be denied only after
12 compliance with the requirements of section 514B.26.
13 Sec. 118. Section 514B.6, Code 2011, is amended to read as
14 follows:
15 **514B.6 Powers of health maintenance organizations.**
16 1. The powers of a health maintenance organization include,
17 but are not limited to, the following:
18 ~~1.~~ a. The purchase, lease, construction, renovation,
19 operation or maintenance of hospitals, medical facilities,
20 or both, and their ancillary equipment, and such property as
21 may reasonably be required for transacting the business of the
22 organization.
23 ~~2.~~ b. The making of loans to a medical group under contract
24 with it or to a corporation under its control for the purpose
25 of acquiring or constructing medical facilities and hospitals
26 or in furtherance of a program providing health care services
27 to enrollees.
28 ~~3.~~ c. The furnishing of health care services to the public
29 through providers which are under contract with or employed by
30 the health maintenance organization.
31 ~~4.~~ d. The contracting with any person for the performance
32 on its behalf of certain functions such as marketing,
33 enrollment and administration.
34 ~~5.~~ e. The contracting with an insurance company authorized
35 to insure groups or individuals in this state for the cost of



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1 health care or with a corporation authorized under chapter 514
2 for the provision of insurance, indemnity, or reimbursement
3 against the cost of health care services provided by the health
4 maintenance organization.

5 ~~6.~~ f. The offering, in addition to basic health care
6 services, of health care services and indemnity benefits to
7 enrollees or groups of enrollees.

8 ~~7.~~ g. The acceptance from any person of payments covering
9 all or part of the charges made to enrollees of the health
10 maintenance organization.

11 2. A health maintenance organization shall file notice with
12 the commissioner before the exercise of any power granted in
13 ~~subsections 1 and 2~~ subsection 1, paragraphs "a" and "b". The
14 commissioner shall disapprove the exercise of power if in the
15 commissioner's opinion it would substantially and adversely
16 affect the financial soundness of the health maintenance
17 organization and endanger its ability to meet its obligations.
18 The commissioner may adopt rules exempting from the filing
19 requirement of this section those activities having a minimum
20 effect.

21 Sec. 119. Section 514B.9, Code 2011, is amended to read as
22 follows:

23 **514B.9 Evidence of coverage.**

24 1. Every enrollee shall receive an evidence of coverage
25 and any amendments. If the enrollee obtains coverage through
26 an insurance policy or a contract issued by a corporation
27 authorized under chapter 514, the insurer or the corporation
28 shall issue the evidence of coverage. No evidence of coverage
29 or amendment shall be issued or delivered to any person in this
30 state until a copy of the form of the evidence of coverage or
31 amendment has been filed with and approved by the commissioner.

32 2. An evidence of coverage shall contain a clear and
33 complete statement of:

34 ~~1.~~ a. The health care services and the insurance or other
35 benefits, if any, to which the enrollee is entitled in the

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1 total context of the organizational structure of the health
2 maintenance organization.

3 ~~2.~~ b. Any limitations on the services or benefits to be
4 provided, including any deductible or coinsurance charges
5 permitted under section 514B.5, subsection 3 1, paragraph "c".

6 ~~3.~~ c. The manner in which information is available on the
7 method of obtaining health care services.

8 ~~4.~~ d. The total amount of payment for health care services
9 and indemnity or service benefits, if any, which the enrollee
10 is obligated to pay with respect to individual contracts, or
11 an indication whether the plan offered through the health
12 maintenance organization is contributory or noncontributory
13 with respect to group contracts.

14 ~~5.~~ e. The health maintenance organization's method for
15 resolving enrollee complaints.

16 ~~6.~~ f. The mechanism by which enrollees shall be allowed to
17 participate in matters of policy and operation.

18 3. A copy of the form of the evidence of coverage to be
19 used in this state and any amendment shall be subject to the
20 filing and approval requirements of this section unless it
21 is subject to the jurisdiction of the commissioner under the
22 laws governing health insurance or corporations authorized
23 under chapter 514 in which event the filing and approval
24 provisions of such laws apply. To the extent, however, that
25 those provisions are less strict than those provided under this
26 section, then the requirements of this section shall apply.

27 4. Enrollees shall be entitled to receive the most recent
28 annual statement of the financial condition of the health
29 maintenance organization in which they are enrolled, which
30 statement shall include a balance sheet and summary of receipts
31 and disbursements.

32 Sec. 120. Section 515.35, subsection 4, paragraphs a and e,
33 Code 2011, are amended to read as follows:

34 *a. United States government obligations.* Obligations
35 issued or guaranteed by the United States or an agency or

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1 instrumentality of the United States. Bonds or other evidences
2 of indebtedness issued, assumed, or guaranteed by the United
3 States of America, or by any agency or instrumentality
4 of the United States of America include investments in an
5 open-end management investment company registered with the
6 federal securities and exchange commission under the federal
7 Investment Company Act of 1940, 15 U.S.C. § 80a, and operated
8 in accordance with 17 C.F.R. § 270.2a-7, the portfolio of
9 which is limited to the United States government obligations
10 described in this paragraph "a", and which are included in the
11 national association of insurance commissioners' securities
12 valuation office's United States direct obligation - full faith
13 and credit list.

14 ~~Bonds or other evidences of indebtedness issued, assumed,~~
15 ~~or guaranteed by the United States of America, or by any~~
16 ~~agency or instrumentality of the United States of America~~
17 ~~include investments in an open-end management investment~~
18 ~~company registered with the federal securities and exchange~~
19 ~~commission under the federal Investment Company Act of 1940,~~
20 ~~15 U.S.C. § 80a, and operated in accordance with 17 C.F.R.~~
21 ~~§ 270.2a-7, the portfolio of which is limited to the United~~
22 ~~States government obligations described in this paragraph "a",~~
23 ~~and which are included in the national association of insurance~~
24 ~~commissioners' securities valuation office's United States~~
25 ~~direct obligation - full faith and credit list.~~

26 *e. Corporate and business trust obligations.* Obligations
27 issued, assumed, or guaranteed by a corporation or business
28 trust organized under the laws of the United States or a state
29 of the United States, or the laws of Canada or a province of
30 Canada, provided that a company shall not invest more than five
31 percent of its admitted assets in the obligations of any one
32 corporation or business trust. Aggregate investments in below
33 investment grade bonds shall not exceed five percent of assets.

34 ~~Aggregate investments in below investment grade bonds shall~~
35 ~~not exceed five percent of assets.~~

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1 Sec. 121. Section 515.35, subsection 4, paragraph h,
2 subparagraph (1), Code 2011, is amended to read as follows:

3 (1) (a) Except as provided in subparagraphs (2), (3), and
4 (4) of this paragraph, a company may acquire, hold, and convey
5 real estate only as follows:

6 ~~(a)~~ (i) Real estate mortgaged to it in good faith as
7 security for loans previously contracted, or for moneys due.

8 ~~(b)~~ (ii) Real estate conveyed to it in satisfaction of
9 debts previously contracted in the course of its dealings.

10 ~~(c)~~ (iii) Real estate purchased at sales on judgments,
11 decrees, or mortgages obtained or made for debts previously
12 contracted in the course of its dealings.

13 ~~(d)~~ (iv) Real estate subject to a contract for deed under
14 which the company holds the vendor's interest to secure the
15 payments the vendee is required to make under the contract.

16 (b) All real estate specified in subparagraph ~~divisions~~
17 ~~(a), (b), and (c)~~ division (a), subparagraph subdivisions (i),
18 (ii), and (iii) shall be sold and disposed of within three
19 years after the company acquires title to it, or within three
20 years after the real estate ceases to be necessary for the
21 accommodation of the company's business, and the company shall
22 not hold any of those properties for a longer period unless the
23 company elects to hold the property under another paragraph of
24 this section, or unless the company procures a certificate from
25 the commissioner of insurance that its interest will suffer
26 materially by the forced sale of those properties and that the
27 time for the sale is extended to the time the commissioner
28 directs in the certificate.

29 Sec. 122. Section 515.35, subsection 4, paragraph m, Code
30 2011, is amended to read as follows:

31 *m. Venture capital funds.* Shares or equity interests in
32 venture capital funds which agree to invest an amount equal to
33 at least fifty percent of the investments by a company in small
34 businesses having their principal offices within this state and
35 having either more than one-half of their assets within this

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1 state or more than one-half of their employees employed within
2 this state. A company shall not invest more than five percent
3 of its capital and surplus under this paragraph. For purposes
4 of this paragraph, "venture capital fund" means a corporation,
5 partnership, proprietorship, or other entity formed under the
6 laws of the United States, or a state, district, or territory
7 of the United States, whose principal business is or will be
8 the making of investments in, and the provision of significant
9 managerial assistance to, small businesses which meet the small
10 business administration definition of small business. "Equity
11 interests" means limited partnership interests and other equity
12 interests in which liability is limited to the amount of the
13 investment, but does not mean general partnership interests or
14 other interests involving general liability. "Venture capital
15 fund" includes an equity interest in the Iowa fund of funds as
16 defined in section 15E.62.

17 ~~"Venture capital fund" includes an equity interest in the~~
18 ~~Iowa fund of funds as defined in section 15E.62.~~

19 Sec. 123. Section 515B.9, subsection 1, Code 2011, is
20 amended to read as follows:

21 1. a. Any person having a claim under an insurance policy,
22 and the claim under such other policy alleges the same damages
23 or arises from the same facts, injury, or loss that gives rise
24 to a covered claim against the association, shall be required
25 to first exhaust all coverage provided by that policy, whether
26 such coverage is on a primary, excess, or pro rata basis and
27 any obligation of the association shall not be considered other
28 insurance.

29 (1) Any amount payable on a covered claim shall be reduced
30 by the full applicable limits of such other insurance policy
31 and the association shall receive full credit for such limits
32 or where there are no applicable limits, the claim shall be
33 reduced by the total recovery.

34 ~~a.~~ (2) A policy providing liability coverage to a person
35 who may be jointly and severally liable with, or a joint

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1 tortfeasor with, the person covered under the policy of the
2 insolvent insurer shall be first exhausted before any claim is
3 made against the association and the association shall receive
4 credit for the same as provided above.

5 **b.** For purposes of this section, an insurance policy means a
6 policy issued by an insurance company, whether or not a member
7 insurer, which policy insures any of the types of risks insured
8 by an insurance company authorized to write insurance under
9 chapter 515, 516A, or 520, or comparable statutes of another
10 state, except those types of risks set forth in chapters 508
11 and 514.

12 Sec. 124. Section 515E.2, subsections 2, 6, and 7, Code
13 2011, are amended to read as follows:

14 2. a. "*Completed operations liability*" means liability
15 arising out of the installation, maintenance, or repair of any
16 product at a site which is not owned or controlled by either of
17 the following:

18 ~~a.~~ (1) A person who performs that work.

19 ~~b.~~ (2) A person who hires an independent contractor to
20 perform that work.

21 **b.** However, liability for activities which are completed or
22 abandoned before the date of the occurrence giving rise to the
23 liability is included.

24 6. a. "*Liability*" means legal liability for damages,
25 including costs of defense, legal costs and fees, and other
26 claims expenses, because of injuries to other persons, damage
27 to their property, or other damage or loss to other persons
28 resulting from or arising out of either of the following:

29 ~~a.~~ (1) A business, whether profit or nonprofit, trade,
30 product, services, including professional services, premises,
31 or operations.

32 ~~b.~~ (2) An activity of a state or local government, or an
33 agency or political subdivision of state or local government.

34 **b.** "*Liability*" does not include personal risk liability and
35 an employer's liability with respect to its employees other

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1 than an employer's legal liability under the federal Employers'
2 Liability Act, 45 U.S.C. § 51 et seq.

3 7. "*Personal risk liability*" means liability for damages
4 because of injury to a person, damage to property, or
5 other loss or damage resulting from personal, familial, or
6 household responsibilities or activities, rather than from
7 responsibilities or activities referred to in subsection 6,
8 ~~paragraphs "a" and "b"~~ paragraph "a", subparagraphs (1) and (2).

9 Sec. 125. Section 515E.4, unnumbered paragraphs 1 and 2,
10 Code Supplement 2011, are amended to read as follows:

11 Risk retention groups chartered in other states and seeking
12 to do business as a risk retention group in this state must
13 observe and abide by the laws of this state as provided in this
14 section. However, a risk retention group failing to qualify
15 under the definitional requirement of the federal Act, will not
16 benefit from this exemption from state law. The commissioner,
17 therefore, may apply any of the laws that otherwise may be
18 preempted by the federal Act because the nonexempt group will
19 not qualify for the preemption.

20 ~~However, a risk retention group failing to qualify under~~
21 ~~the definitional requirement of the federal Act, will not~~
22 ~~benefit from this exemption from state law. The commissioner,~~
23 ~~therefore, may apply any of the laws that otherwise may be~~
24 ~~preempted by the federal Act because the nonexempt group will~~
25 ~~not qualify for the preemption.~~

26 Sec. 126. Section 515F.6, subsection 3, unnumbered
27 paragraph 2, Code 2011, is amended to read as follows:

28 4. If, after hearing, the commissioner finds that the
29 filing does not meet the requirements of this chapter, the
30 commissioner shall issue an order specifying in what respects
31 the filing fails to meet the requirements of this chapter, and
32 stating when, within a reasonable period after the order is
33 issued, the filing shall no longer be in effect. Copies of the
34 order shall be sent to the applicant and to every insurer and
35 advisory organization which made that filing. The order shall



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1 not affect a contract or policy made or issued prior to the
2 expiration of the period set forth in the order.

3 Sec. 127. Section 516D.4, Code 2011, is amended to read as
4 follows:

5 **516D.4 Collision damage and loss.**

6 1. a. A rental company shall not hold, or attempt to hold,
7 an authorized driver liable for physical damage to a rental
8 vehicle, loss due to theft of a rental vehicle, or damages
9 resulting from the loss of use of a rental vehicle, unless the
10 rental company offers the customer a collision damage waiver
11 under the terms and conditions described in subsection 2 of
12 ~~this section~~, or unless one or more of the following applies:

13 ~~a.~~ (1) The damage or loss is caused intentionally by an
14 authorized driver or is a result of the authorized driver's
15 willful, abusive, reckless, or wanton misconduct.

16 ~~b.~~ (2) The damage or loss arises out of the authorized
17 driver's operation of the rental vehicle while intoxicated or
18 under the influence of a drug.

19 ~~c.~~ (3) The damage or loss is caused while the authorized
20 driver is engaged in a race, training activity, contest, or use
21 of the rental vehicle for an illegal purpose.

22 ~~d.~~ (4) The rental agreement is based on false or misleading
23 information supplied by the customer or an authorized driver.

24 ~~e.~~ (5) The damage or loss is caused by operating the
25 rental vehicle other than on regularly maintained hard surface
26 roadways, including private driveways and parking lots.

27 ~~f.~~ (6) The damage or loss arises out of the use of the
28 rental vehicle to transport persons or property for hire or to
29 push or tow anything.

30 ~~g.~~ (7) The damage or loss occurs while the rental vehicle
31 is operated by a driver other than an authorized driver.

32 ~~h.~~ (8) The damage or loss arises out of the use of the
33 rental vehicle outside the continental United States unless
34 such use is specifically authorized by the rental agreement.

35 ~~i.~~ (9) The damage or loss is attributable to theft which

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1 occurs with the prior knowledge or knowing participation of an
2 authorized driver, or which is attributable to the authorized
3 driver leaving the rental vehicle unattended with the keys in
4 the rental vehicle.

5 b. This section does not alter the liability of a customer
6 or authorized driver for bodily injury or the death of another
7 and for property damage other than to the rental vehicle in
8 accordance with the rental agreement. This section does not
9 prohibit a rental company from accepting or negotiating master
10 contracts with companies or government entities in advance of
11 need whereby the companies or government entities specifically
12 agree to assume liability in exchange for rate concessions.
13 This section does not prohibit a rental company from entering
14 into agreements with insurance companies to provide replacement
15 vehicles to insurance company customers whereby the insurance
16 company agrees to assume the risk of loss.

17 c. If the rental vehicle is not repaired, damages shall not
18 exceed the fair market value of the vehicle, as determined in
19 the customary market for that vehicle, less salvage or actual
20 sale value, plus additional license and tax fees incurred
21 because of the sale, plus administrative fees. A claim shall
22 not be made for loss of use if the rental vehicle is not
23 repaired.

24 2. a. A rental company may offer a collision damage waiver
25 under the following terms and conditions:

26 ~~a.~~ (1) All restrictions, conditions, and exclusions must
27 be printed in the rental agreement, or on a separate sheet or
28 document, in ten point type, or larger; or written in pen and
29 ink or typewritten in or on the face of the rental agreement
30 in a blank space provided for such restrictions, conditions,
31 and exclusions. The rental agreement may provide that the
32 collision damage waiver may be voided under the conditions set
33 forth in subsection 1, ~~paragraphs "a" through "i"~~ paragraph "a",
34 subparagraphs (1) through (9).

35 ~~b.~~ (2) The rental agreement, separate sheet, or document

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1 must clearly and conspicuously state both the daily and
2 estimated total charge for the collision damage waiver.
3 ~~e-~~ (3) (a) The rental agreement, separate sheet, or
4 document given to the customer prior to entering into the
5 rental agreement must display in ten point type, or larger, the
6 following notice:

7 NOTICE: THIS CONTRACT OFFERS, FOR AN ADDITIONAL CHARGE,
8 A COLLISION DAMAGE WAIVER TO COVER ALL OR PART OF YOUR
9 RESPONSIBILITY FOR DAMAGE TO THE RENTAL VEHICLE.

10 BEFORE DECIDING WHETHER TO PURCHASE THE COLLISION DAMAGE
11 WAIVER, YOU MAY WISH TO DETERMINE WHETHER YOUR OWN AUTOMOBILE
12 INSURANCE AFFORDS YOU COVERAGE FOR DAMAGE TO THE RENTAL VEHICLE
13 AND THE AMOUNT OF THE DEDUCTIBLE UNDER YOUR OWN INSURANCE
14 COVERAGE. THE PURCHASE OF THIS COLLISION DAMAGE WAIVER IS NOT
15 MANDATORY AND MAY BE DECLINED.

16 (b) The customer must separately acknowledge that the
17 customer received the above notice, that the customer desires
18 to purchase the collision damage waiver, and the terms of the
19 collision damage waiver to which the customer agrees.

20 ~~d-~~ (4) The car rental company shall not pay commissions to
21 a rental counter agent or representative for selling collision
22 damage waivers and is prohibited from considering volume of
23 sales of collision damage waivers in an employee evaluation or
24 determination of promotion.

25 b. However, notwithstanding whether a rental company
26 offers a collision damage waiver under the provisions of this
27 subsection, the rental company shall not hold an authorized
28 driver liable for damage or loss due to theft except where
29 subsection 1, paragraph ~~"i"~~ "a", subparagraph (9) applies.

30 Sec. 128. Section 518C.3, subsection 4, paragraph b, Code
31 Supplement 2011, is amended to read as follows:

32 b. (1) *"Covered claim"* does not include any of the
33 following:

34 ~~{1}~~ (a) An amount due a reinsurer, insurer, insurance pool,
35 underwriting association, or other group assuming insurance

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1 risks, as subrogation, contribution, indemnity recoveries, or
2 otherwise.

3 ~~(2)~~ (b) An amount that constitutes the portion of a
4 claim that is within an insured's deductible or self-insured
5 retention.

6 ~~(3)~~ (c) A fee or other amount relating to goods or services
7 sought by or on behalf of an attorney, adjuster, witness, or
8 other provider of goods or services retained by the insolvent
9 insurer or by an insured prior to the date the insurer was
10 declared insolvent.

11 ~~(4)~~ (d) An amount that constitutes a fine, penalty,
12 interest, or punitive or exemplary damages.

13 ~~(5)~~ (e) A fee or other amount sought by or on behalf of
14 an attorney, adjuster, witness, or other provider of goods or
15 services retained by the insured or claimant in connection with
16 the assertion of any claim, covered or otherwise, against the
17 association.

18 ~~(6)~~ (f) A claim filed with the association or with a
19 liquidator for protection afforded under the insured's policy
20 or contract for incurred but not reported losses or expenses.

21 ~~(7)~~ (g) An amount that is an obligation owed to or on
22 behalf of an affiliate of, as defined in section 521A.1, an
23 insolvent insurer.

24 (2) Notwithstanding ~~subparagraphs (1) through (7)~~
25 subparagraph (1), subparagraph divisions (a) through (g), a
26 person is not prevented from presenting a noncovered claim
27 to the insolvent insurer or its liquidator. However, the
28 noncovered claim shall not be asserted against any other
29 person, including the person to whom benefits were paid or the
30 insured of the insolvent insurer, except to the extent that
31 the claim is outside the coverage of the policy issued by the
32 insolvent insurer.

33 Sec. 129. Section 521A.3, subsections 1 and 2, Code 2011,
34 are amended to read as follows:

35 1. *Filing requirements.*

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1 a. No person other than the issuer shall make a tender offer
2 for or a request or invitation for tenders of, or enter into
3 any agreement to exchange securities for, seek to acquire, or
4 acquire, in the open market or otherwise, any voting security
5 of a domestic insurer if, after the consummation thereof,
6 such person would, directly or indirectly, or by conversion
7 or by exercise of any right to acquire, be in control of such
8 insurer, and no person shall enter into an agreement to merge
9 with or otherwise to acquire control of a domestic insurer
10 unless, at the time any such offer, request, or invitation
11 is made or any such agreement is entered into, or prior to
12 the acquisition of such securities if no offer or agreement
13 is involved, such person has filed with the commissioner and
14 has sent to such insurer, and such insurer has sent to its
15 shareholders, a statement containing the information required
16 by this section and such offer, request, invitation, agreement
17 or acquisition has been approved by the commissioner in the
18 manner hereinafter prescribed.

19 b. For purposes of this section a domestic insurer shall
20 include any other person controlling a domestic insurer unless
21 the other person is either directly or through its affiliates
22 primarily engaged in business other than the business of
23 insurance. However, for purposes of this section "*person*"
24 does not include a securities broker holding, in the usual and
25 customary broker's function, less than twenty percent of the
26 voting securities of an insurance company or of a person which
27 controls an insurance company.

28 2. *Content of statement.*

29 a. The statement to be filed with the commissioner hereunder
30 shall be made under oath or affirmation and shall contain the
31 following information:

32 ~~a-~~ (1) The name and address of each person by whom or
33 on whose behalf the merger or other acquisition of control
34 referred to in subsection 1 ~~of this section~~ is to be effected,
35 hereinafter called "*acquiring party*".

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1 ~~(1)~~ (a) If such person is an individual, the individual's
2 principal occupation and all offices and positions held during
3 the past five years, and any conviction of crimes other than
4 minor traffic violations during the past ten years.

5 ~~(2)~~ (b) If such person is not an individual, a report
6 of the nature of its business operations during the past
7 five years or for such lesser period as such person and
8 any predecessors thereof shall have been in existence; an
9 informative description of the business intended to be done
10 by such person and such person's subsidiaries; and a list of
11 all individuals who are or who have been selected to become
12 directors or executive officers of such person, or who perform
13 or will perform functions appropriate to such positions. Such
14 list shall include for each such individual the information
15 required by subparagraph ~~(1)~~ of this paragraph division (a).

16 ~~b.~~ (2) The source, nature and amount of the consideration
17 used or to be used in effecting the merger or other acquisition
18 of control, a description of any transaction in which funds
19 were or are to be obtained for any such purpose including a
20 pledge of the insurer's stock, or the stock of any of its
21 subsidiaries or controlling affiliates, and the identity of
22 persons furnishing the consideration. However, if a source
23 of the consideration is a loan made in the lender's ordinary
24 course of business, the identity of the lender shall remain
25 confidential, if the person filing the statement so requests.

26 ~~c.~~ (3) Fully audited financial information as to the
27 earnings and financial condition of each acquiring party for
28 the preceding five fiscal years of each such acquiring party,
29 or for such lesser period as such acquiring party and any
30 predecessors thereof shall have been in existence, and similar
31 unaudited information as of a date not earlier than ninety days
32 prior to the filing of the statement.

33 ~~d.~~ (4) Any plans or proposals which each acquiring party
34 may have to liquidate such insurer, to sell its assets or
35 merge or consolidate it with any person, or to make any other

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1 material change in its business or corporate structure or
2 management.

3 ~~e-~~ (5) The number of shares of any security referred to
4 in subsection 1 ~~of this section~~ which each acquiring party
5 proposes to acquire, and the terms of the offer, request,
6 invitation, agreement, or acquisition referred to in subsection
7 1 ~~of this section~~, and a statement as to the method by which the
8 fairness of the proposal was arrived at.

9 ~~f-~~ (6) The amount of each class of any security referred
10 to in subsection 1 ~~of this section~~ which is beneficially owned
11 or concerning which there is a right to acquire beneficial
12 ownership by each acquiring party.

13 ~~g-~~ (7) A full description of any contracts, arrangements
14 or understandings with respect to any security referred to
15 in subsection 1 ~~of this section~~ in which any acquiring party
16 is involved, including but not limited to transfer of any of
17 the securities, joint ventures, loan or option arrangements,
18 puts or calls, guarantees of loans, guarantees against loss
19 or guarantees of profits, division of losses or profits, or
20 the giving or withholding of proxies. Such description shall
21 identify the persons with whom such contracts, arrangements or
22 understandings have been entered into.

23 ~~h-~~ (8) A description of the purchase of any security
24 referred to in subsection 1 ~~of this section~~ during the twelve
25 calendar months preceding the filing of the statement, by any
26 acquiring party, including the dates of purchase, names of
27 the purchasers, and consideration paid or agreed to be paid
28 therefor.

29 ~~i-~~ (9) A description of any recommendations to purchase
30 any security referred to in subsection 1 ~~of this section~~ made
31 during the twelve calendar months preceding the filing of the
32 statement, by any acquiring party, or by anyone based upon
33 interview or at the suggestion of such acquiring party.

34 ~~j-~~ (10) Copies of all tender offers for, requests or
35 invitations for tenders of, exchange offers for, and agreements

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1 to acquire or exchange any securities referred to in subsection
2 ~~1 of this section~~, and, if distributed, of additional
3 soliciting material relating thereto.

4 ~~k-~~ (11) The terms of any agreement, contract or
5 understanding made with any broker-dealer as to solicitation
6 of securities referred to in subsection 1 ~~of this section~~
7 for tender, and the amount of any fees, commissions or other
8 compensation to be paid to broker-dealers with regard thereto.

9 ~~l-~~ (12) Additional information as the commissioner may by
10 rule prescribe as necessary or appropriate for the protection
11 of policyholders of the insurer or in the public interest.

12 b. If the person required to file the statement referred
13 to in subsection 1 ~~of this section~~ is a partnership, limited
14 partnership, syndicate or other group, the commissioner may
15 require that the information called for by ~~paragraphs "a"~~
16 ~~through "l" of this subsection~~ paragraph "a", subparagraphs
17 (1) through (12) shall be given with respect to each partner
18 of such partnership or limited partnership, each member of
19 such syndicate or group, and each person who controls such
20 partner or member. If any such partner, member or person is
21 a corporation or the person required to file the statement
22 referred to in subsection 1 ~~of this section~~ is a corporation,
23 the commissioner may require that the information called for
24 by ~~paragraphs "a" through "l" of this subsection~~ paragraph
25 "a", subparagraphs (1) through (12) shall be given with
26 respect to such corporation, each officer and director of such
27 corporation, and each person who is directly or indirectly the
28 beneficial owner of more than ten percent of the outstanding
29 voting securities of such corporation. If any material change
30 occurs in the facts set forth in the statement filed with the
31 commissioner and sent to such insurer pursuant to this section,
32 an amendment setting forth such change, together with copies of
33 all documents and other material relevant to such change, shall
34 be filed with the commissioner and sent to such insurer within
35 two business days after the person learns of such change. Such

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1 insurer shall send such amendment to its shareholders.

2 Sec. 130. Section 521B.2, unnumbered paragraph 1, Code
3 2011, is amended to read as follows:

4 Credit for reinsurance is allowed a domestic ceding insurer
5 as either an asset or a deduction from liability on account of
6 reinsurance ceded only if the reinsurer meets the requirements
7 of subsection 1, 2, 3, 4, or 5. If the reinsurer meets
8 the requirements of subsection 3 or 4, the requirements of
9 subsection 6 must also be met. This section does not apply to
10 reinsurance ceded and assumed pursuant to pooling arrangements
11 among insurers in the same holding company system.

12 Sec. 131. Section 521B.2, subsection 2, Code 2011, is
13 amended to read as follows:

14 2. a. Credit is allowed if the reinsurance is ceded to an
15 assuming insurer which is accredited as a reinsurer in this
16 state. An accredited reinsurer is one which satisfies all of
17 the following conditions:

18 ~~a-~~ (1) Files with the commissioner evidence of submission
19 to the jurisdiction of this state.

20 ~~b-~~ (2) Submits to the authority of this state to examine
21 its books and records.

22 ~~c-~~ (3) Is licensed to transact reinsurance in at least one
23 state, or in the case of a United States branch of an alien
24 assuming insurer, is entered through and licensed to transact
25 the business of reinsurance in at least one state.

26 ~~d-~~ (4) Files annually with the commissioner a copy of
27 its annual statement filed with the insurance department of
28 its state of domicile and a copy of its most recent audited
29 financial statement and does either of the following:

30 ~~(1)~~ (a) Maintains a surplus with respect to policyholders
31 in an amount which is not less than twenty million dollars and
32 whose accreditation has not been denied by the commissioner
33 within ninety days of its submission to the jurisdiction of
34 this state.

35 ~~(2)~~ (b) Maintains a surplus with respect to policyholders

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1 in an amount less than twenty million dollars and whose
2 accreditation has been approved by the commissioner. Credit
3 shall not be allowed a domestic ceding insurer, if the
4 accreditation of the assuming insurer is revoked by the
5 commissioner after notice and hearing.

6 b. To qualify as an accredited reinsurer, an assuming
7 insurer must meet all of the requirements and the standards
8 set forth in this subsection. If the commissioner determines
9 that the assuming insurer has failed to continue to meet any
10 of these requirements or standards, the commissioner may upon
11 written notice and hearing revoke accreditation of the assuming
12 insurer.

13 ~~This section does not apply to reinsurance ceded and assumed~~
14 ~~pursuant to pooling arrangements among insurers in the same~~
15 ~~holding company system.~~

16 Sec. 132. Section 521C.3, subsection 5, Code 2011, is
17 amended to read as follows:

18 5. a. The commissioner may refuse to issue a reinsurance
19 intermediary license if, in the commissioner's judgment, any of
20 the following conditions are present:

21 ~~a.~~ (1) The applicant, anyone named in the application, or
22 any member, principal, officer, or director of the applicant,
23 is not trustworthy.

24 ~~b.~~ (2) A controlling person of such applicant is not
25 trustworthy to act as a reinsurance intermediary.

26 ~~c.~~ (3) Conditions present in ~~paragraph "a" or "b"~~
27 subparagraph (1) or (2) have given cause for revocation or
28 suspension of a license, or a person referred to in ~~paragraph~~
29 ~~"a" or "b"~~ subparagraph (1) or (2) has failed to comply with any
30 prerequisite for the issuance of a license.

31 b. Upon written request, the commissioner shall furnish a
32 written summary of the basis for refusal to issue a license,
33 which document is privileged and not subject to disclosure
34 under chapter 22.

35 Sec. 133. Section 521D.4, subsection 3, Code 2011, is

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1 amended to read as follows:

2 3. a. A report required to be filed pursuant to this
3 chapter is to be filed regardless of who has initiated the
4 nonrenewal, cancellation, or revision of the ceded reinsurance
5 agreement whenever one or more of the following conditions
6 exist:

7 ~~a.~~ (1) The entire cession has been canceled, nonrenewed,
8 or revised and ceded indemnity and loss adjustment expense
9 reserves, after any nonrenewal, cancellation, or revision,
10 represent less than fifty percent of the comparable reserves
11 that would have been ceded had the nonrenewal, cancellation, or
12 revision not occurred.

13 ~~b.~~ (2) An authorized or accredited reinsurer has been
14 replaced on an existing cession by an unauthorized reinsurer.

15 ~~c.~~ (3) Collateral requirements previously established for
16 unauthorized reinsurers have been reduced.

17 b. Subject to the materiality criteria, for purposes of
18 ~~paragraphs "b" and "c"~~ paragraph "a", subparagraphs (2) and (3),
19 a report shall be filed if the result of the revision affects
20 more than ten percent of the cession.

21 Sec. 134. Section 524.605, Code 2011, is amended to read as
22 follows:

23 **524.605 Liability of directors in certain cases.**

24 1. In addition to any other liabilities imposed by law upon
25 directors of a state bank:

26 ~~1.~~ a. Directors of a state bank who vote for or assent
27 to the declaration of any dividend or other distribution of
28 the assets of a state bank to its shareholders in willful or
29 negligent violation of the provisions of this chapter or of
30 any restrictions contained in the articles of incorporation,
31 shall be jointly and severally liable to the state bank for
32 the amount of such dividend which is paid or the value of
33 such assets which are distributed in excess of the amount
34 of such dividend or distribution which could have been
35 paid or distributed without a violation of the provisions

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1 of this chapter or of the restrictions in the articles of
2 incorporation.

3 ~~2.~~ b. The directors of a state bank who vote for or
4 assent to any distribution of assets of a state bank to its
5 shareholders during the dissolution of the state bank without
6 the payment and discharge of, or making adequate provision for,
7 all known debts, obligations, and liabilities of the state bank
8 shall be jointly and severally liable to the state bank for the
9 value of such assets which are distributed, to the extent that
10 such debts, obligations and liabilities of the state bank are
11 not thereafter paid and discharged.

12 ~~3.~~ c. The directors of a state bank who, willfully or
13 negligently, vote for or assent to loans or extensions of
14 credit in violation of the provisions of this chapter, shall be
15 jointly and severally liable to the state bank for the total
16 amount of any loss sustained.

17 ~~4.~~ d. The directors of a state bank who, willfully or
18 negligently, vote for or assent to any investment of funds of
19 the state bank in violation of the provisions of this chapter
20 shall be jointly and severally liable to the state bank for the
21 amount of any loss sustained on such investment.

22 2. A director of a state bank who is present at a meeting
23 of its board of directors at which action on any matter is
24 taken shall be presumed to have assented to the action taken
25 unless the director's dissent shall be entered in the minutes
26 of the meeting or unless the director shall file the director's
27 written dissent to such action with the individual acting as
28 the secretary of the meeting before the adjournment thereof or
29 shall forward such dissent by registered or certified mail to
30 the cashier of the state bank promptly after the adjournment
31 of the meeting. Such right to dissent shall not apply to a
32 director who voted in favor of such action.

33 3. A director shall not be liable under subsection 1, ~~2,~~
34 ~~3, or 4 of this section~~ paragraph "a", "b", "c", or "d" if
35 the director relied and acted in good faith upon information



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1 represented to the director to be correct by an officer or
2 officers of such state bank or stated in a written report by a
3 certified public accountant or firm of such accountants. No
4 director shall be deemed to be negligent within the meaning
5 of this section if the director in good faith exercised that
6 diligence, care and skill which an ordinarily prudent person
7 would exercise as a director under similar circumstances.

8 4. Any director against whom a claim shall be asserted under
9 or pursuant to this section for the payment of a dividend or
10 other distribution of assets of a state bank and who shall be
11 held liable thereon, shall be entitled to contribution from
12 the shareholders who accepted or received any such dividend or
13 assets, knowing such dividend or distribution to have been made
14 in violation of the provisions of this chapter, in proportion
15 to the amounts received by them respectively. Further, any
16 director against whom a claim shall be asserted pursuant to
17 this section for the payment of any liability imposed by this
18 section shall be entitled to contribution from any director
19 found to be similarly liable.

20 5. Whenever the superintendent deems it necessary the
21 superintendent may require, after affording an opportunity for
22 a hearing upon adequate notice, that a director or directors
23 whom the superintendent reasonably believes to be liable to
24 a state bank pursuant to subsection 1, ~~2, 3, or 4 of this~~
25 ~~section~~ paragraph "a", "b", "c", or "d", to place in an escrow
26 account in an insured bank located in this state, as directed
27 by the superintendent, an amount sufficient to discharge any
28 liability which may accrue pursuant to subsection 1, ~~2, 3,~~
29 ~~or 4 of this section~~ paragraph "a", "b", "c", or "d". The
30 amount so deposited shall be paid over to the state bank by
31 the superintendent upon final determination of the amount of
32 such liability. Any portion of the escrow account which is not
33 necessary to meet such liability shall be repaid on a pro rata
34 basis to the directors who contributed to the fund.

35 6. Any action seeking to impose liability under this



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1 section, other than liability for contribution, shall be
2 commenced only within five years of the action complained of
3 and not thereafter.

4 Sec. 135. Section 524.901, subsection 7, Code 2011, is
5 amended to read as follows:

6 7. a. A state bank, upon the approval of the
7 superintendent, may invest up to five percent of its aggregate
8 capital in the shares or equity interests of any of the
9 following:

10 ~~a.~~ (1) Economic development corporations organized under
11 chapter 496B to the extent authorized by and subject to the
12 limitations of that chapter.

13 ~~b.~~ (2) Community development corporations or community
14 development projects to the same extent a national bank may
15 invest in such corporations or projects pursuant to 12 U.S.C.
16 § 24.

17 ~~c.~~ (3) Small business investment companies as defined by
18 the laws of the United States.

19 ~~d.~~ (4) Venture capital funds which invest an amount equal
20 to at least fifty percent of a state bank's investment in small
21 businesses having their principal offices within this state and
22 having either more than one-half of their assets within this
23 state or more than one-half of their employees employed within
24 this state.

25 ~~e.~~ (5) Small businesses having a principal office within
26 this state and having either more than one-half of their assets
27 within this state or more than one-half of their employees
28 employed within this state. An investment by a state bank
29 in a small business under this ~~paragraph~~ subparagraph shall
30 be included with the obligations of the small business to
31 the state bank that are incurred as a result of the exercise
32 by the state bank of the powers conferred in section 524.902
33 for the purpose of determining the total obligations of the
34 small business pursuant to section 524.904. A state bank's
35 equity interest investment in a small business, pursuant to



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1 this ~~paragraph~~ subparagraph, shall not exceed a twenty percent
2 ownership interest in the small business.

3 ~~f.~~ (6) Other entities, acceptable to the superintendent,
4 whose sole purpose is to promote economic or civic developments
5 within a community or this state.

6 b. A state bank's total investment in any combination of
7 the shares or equity interests of the entities identified
8 in ~~paragraphs "a" through "f"~~ paragraph "a", subparagraphs
9 (1) through (6) shall be limited to fifteen percent of its
10 aggregate capital.

11 c. For purposes of this subsection:

12 (1) The term "equity interests" means limited partnership
13 interests and other equity interests in which liability is
14 limited to the amount of the investment, but does not mean
15 general partnership interests or other interests involving
16 general liability.

17 (2) The term "small business" means a corporation,
18 partnership, proprietorship, or other entity which meets
19 the appropriate United States small business administration
20 definition of small business and which is principally engaged
21 in the development or exploitation of inventions, technological
22 improvements, new processes, or other products not previously
23 generally available in this state, or other investments which
24 provide an economic benefit to the state.

25 ~~(3) For purposes of this subsection, the~~ The term "venture
26 capital fund" means a corporation, partnership, proprietorship,
27 or other entity whose principal business is or will be the
28 making of investments in, and the providing of significant
29 managerial assistance to, small businesses. ~~The term "small~~
30 ~~business" means a corporation, partnership, proprietorship, or~~
31 ~~other entity which meets the appropriate United States small~~
32 ~~business administration definition of small business and which~~
33 ~~is principally engaged in the development or exploitation of~~
34 ~~inventions, technological improvements, new processes, or other~~
35 ~~products not previously generally available in this state, or~~

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~~1 other investments which provide an economic benefit to the
2 state. The term "equity interests" means limited partnership
3 interests and other equity interests in which liability is
4 limited to the amount of the investment, but does not mean
5 general partnership interests or other interests involving
6 general liability.~~

7 Sec. 136. Section 527.7, Code 2011, is amended to read as
8 follows:

9 **527.7 Records maintained.**

10 1. All transactions engaged in through a satellite terminal
11 shall be recorded in a form from which it will be possible
12 to produce a humanly readable record of any transaction, and
13 these recordings shall be retained by the utilizing financial
14 institutions for the periods required by law.

15 2. The machine receipt provided to a satellite account
16 transaction card user by a satellite terminal shall be
17 admissible as evidence in any legal action or proceeding and
18 shall constitute prima facie proof of the transaction evidence
19 by that receipt.

20 3. A financial institution shall provide each of its
21 satellite account holders with a periodic account statement
22 that shall contain a brief description of all satellite
23 terminal transactions sufficient to enable the account holder
24 to identify any transaction and to relate it to machine
25 receipts provided by satellite terminals.

26 4. When a periodic account statement includes both
27 satellite terminal transactions and other nonsatellite terminal
28 transactions, all satellite terminal transactions shall be
29 indicated as such, and shall be accompanied by the description
30 required by ~~this~~ subsection 3.

31 5. The administrator may provide by rule for the recording
32 and maintenance, by any financial institution utilizing a
33 satellite terminal, of amounts involved in a transaction
34 engaged in through the satellite terminal which are of a known
35 tax consequence to the customer initiating the transaction.

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1 For the purpose of this ~~paragraph~~ subsection, "known tax
2 consequences" means and includes but shall not be limited to the
3 following:

4 ~~1-~~ a. An amount directly or indirectly received from a
5 customer and applied to a loan account of the customer which
6 represents interest paid by the customer to the financial
7 institution.

8 ~~2-~~ b. In any transaction where the total amount involved
9 is deducted from funds in a customer's account and is
10 simultaneously paid either directly or indirectly by the
11 financial institution to the account of a third party, any
12 portion of the transaction amount which represents a sales or
13 other tax imposed upon or included within the transaction and
14 collected by that third party from the customer, or any portion
15 of the transaction amount which represents interest paid to the
16 third party by the customer.

17 ~~3-~~ c. Any other transaction which the administrator
18 determines to have direct tax consequences to the customer.
19 The administrator also may provide for the periodic
20 distribution to customers of summaries of transactions having
21 known tax consequences.

22 Sec. 137. Section 527.9, subsection 2, Code 2011, is amended
23 to read as follows:

24 2. a. A person desiring to operate a central routing unit
25 shall submit to the administrator an application which shall
26 contain all of the following information:

27 ~~a-~~ (1) The name and business address of the owner of the
28 proposed unit.

29 ~~b-~~ (2) The name and business address of each data
30 processing center and other central routing unit with which
31 the proposed central routing unit will have direct electronic
32 communication.

33 ~~c-~~ (3) The location of the proposed central routing unit.

34 ~~d-~~ (4) A schedule of the charges which will be required to
35 be paid to that applicant by each financial institution which

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1 utilizes the proposed central routing unit.

2 ~~The application shall be accompanied by all agreements~~
3 ~~between the proposed central routing unit and all data~~
4 ~~processing centers and other central routing units respecting~~
5 ~~the transmission of transaction data; and a copy of any~~
6 ~~agreement between the proposed central routing unit and~~
7 ~~any financial institution establishing a satellite terminal~~
8 ~~unless that agreement theretofore has been filed with the~~
9 ~~administrator pursuant to section 527.5.~~

10 ~~e.~~ (5) An agreement by the applicant that the proposed
11 central routing unit will be capable of accepting and routing,
12 and will be operated to accept and route, transmissions of data
13 originating at any satellite terminal located in this state,
14 except limited-function terminals, whether receiving from that
15 terminal or from a data processing center or other central
16 routing unit.

17 ~~f.~~ (6) A representation and undertaking that the proposed
18 central routing unit is directly connected to every data
19 processing center that is directly connected to a satellite
20 terminal located in this state, and that the proposed central
21 routing unit will provide for direct connection in the
22 future with any data processing center that becomes directly
23 connected to a satellite terminal located in this state. This
24 representation and undertaking is not required of a central
25 routing unit with respect to limited-function terminals.

26 b. The application shall be accompanied by all agreements
27 between the proposed central routing unit and all data
28 processing centers and other central routing units respecting
29 the transmission of transaction data; and a copy of any
30 agreement between the proposed central routing unit and
31 any financial institution establishing a satellite terminal
32 unless that agreement theretofore has been filed with the
33 administrator pursuant to section 527.5.

34 Sec. 138. Section 533.102, subsection 3, Code 2011, is
35 amended to read as follows:

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1 3. a. "*Credit union*" means a cooperative, nonprofit
2 association, organized or incorporated in accordance with the
3 provisions of this chapter or under the laws of another state
4 or the Federal Credit Union Act, 12 U.S.C. § 1751 et seq.,
5 for the purposes of creating a source of credit at a fair and
6 reasonable rate of interest, of encouraging habits of thrift
7 among its members, and of providing an opportunity for its
8 members to use and control their own money on a democratic
9 basis in order to improve their economic and social condition.
10 b. A ~~credit union~~ "*credit union*" is also a supervised
11 financial organization as that term is defined and used in
12 chapter 537, the Iowa consumer credit code.
13 Sec. 139. Section 536A.10, Code 2011, is amended to read as
14 follows:
15 **536A.10 Issuance of license.**
16 1. If the superintendent shall find:
17 ~~1-~~ a. That the financial responsibility, experience,
18 character and general fitness of the applicant and of the
19 officers thereof are such as to command the confidence of the
20 community, and to warrant the belief that the business will be
21 operated honestly, fairly and efficiently within the purpose of
22 this chapter;
23 ~~2-~~ b. That a reasonable necessity exists for a new
24 industrial loan company in the community to be served;
25 ~~3-~~ c. That the applicant has available for the operation
26 of the business at the specified location paid-in capital and
27 surplus as required by section 536A.8; and
28 ~~4-~~ d. That the applicant is a corporation organized for
29 pecuniary profit under the laws of the state of Iowa.
30 2. The superintendent shall approve the application and
31 issue to the applicant a license to engage in the industrial
32 loan business in accordance with the provisions of this
33 chapter. The superintendent shall approve or deny an
34 application for a license within one hundred twenty days from
35 the date of the filing of such application.



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1 Sec. 140. Section 542B.2, Code 2011, is amended to read as
2 follows:

3 **542B.2 Terms defined.**

4 As used in the chapter, unless the context otherwise
5 requires:

6 1. ~~The “board”~~ “Board” means the engineering and land
7 surveying examining board provided by this chapter.

8 2. “Design coordination” includes the review and
9 coordination of technical submissions prepared by others,
10 including as appropriate and without limitation, consulting
11 engineers, architects, landscape architects, land surveyors,
12 and other professionals working under the direction of the
13 engineer.

14 2. ~~The term “engineering documents” as used in this chapter~~
15 ~~includes all plans, specifications, drawings, and reports, if~~
16 ~~the preparation of such documents constitutes or requires the~~
17 ~~practice of engineering.~~

18 3. ~~The term “engineer intern” as used in this chapter~~
19 “Engineer intern” means a person who passes an examination in
20 the fundamental engineering subjects, but does not entitle the
21 person to claim to be a professional engineer.

22 4. “Engineering documents” includes all plans,
23 specifications, drawings, and reports, if the preparation
24 of such documents constitutes or requires the practice of
25 engineering.

26 5. “Engineering surveys” includes all survey activities
27 required to support the sound conception, planning, design,
28 construction, maintenance, and operation of engineered
29 projects, but excludes the surveying of real property for the
30 establishment of land boundaries, rights-of-way, easements, and
31 the dependent or independent surveys or resurveys of the public
32 land survey system.

33 4. 6. ~~The term “in responsible charge” as used in this~~
34 ~~chapter~~ “In responsible charge” means having direct control of
35 and personal supervision over any land surveying work or work



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1 involving the practice of engineering. One or more persons,
2 jointly or severally, may be in responsible charge.
3 ~~5. a. The practice of "land surveying" includes providing~~
4 ~~professional services such as consultation, investigation,~~
5 ~~testimony, evaluation, planning, mapping, assembling, and~~
6 ~~interpreting reliable scientific measurements and information~~
7 ~~relative to the location of property lines or boundaries, and~~
8 ~~the utilization, development, and interpretation of these facts~~
9 ~~into an orderly survey, plat, or map. The practice of land~~
10 ~~surveying includes, but is not limited to, the following:~~
11 ~~(1) Locating, relocating, establishing, reestablishing,~~
12 ~~setting, or resetting of permanent monumentation for any~~
13 ~~property line or boundary of any tract or parcel of land.~~
14 ~~Setting permanent monuments constitutes an improvement to real~~
15 ~~property.~~
16 ~~(2) Making any survey for the division or subdivision of any~~
17 ~~tract or parcel of land.~~
18 ~~(3) Determination, by the use of the principles of land~~
19 ~~surveying, of the position for any permanent survey monument or~~
20 ~~reference point, or setting, resetting, or replacing any survey~~
21 ~~monument or reference point excluding the responsibility of~~
22 ~~engineers pursuant to section 314.8.~~
23 ~~(4) Creating and writing metes and bounds descriptions as~~
24 ~~defined in section 354.2.~~
25 ~~(5) Geodetic surveying for determination of the size and~~
26 ~~shape of the earth both horizontally and vertically for the~~
27 ~~precise positioning of permanent land survey monuments on~~
28 ~~the earth utilizing angular and linear measurements through~~
29 ~~spatially oriented spherical geometry.~~
30 ~~(6) Creation, preparation, or modification of electronic~~
31 ~~or computerized data, including land information systems and~~
32 ~~geographical information systems, relative to the performance~~
33 ~~of the activities identified in subparagraphs (1) through (5).~~
34 ~~b. This subsection does not prohibit a professional engineer~~
35 ~~from practicing any aspect of the practice of engineering. A~~



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1 ~~land surveyor is not prohibited from performing engineering~~
2 ~~surveys as defined in the practice of engineering.~~
3 ~~c. A person is construed to be engaged in or offering to be~~
4 ~~engaged in the practice of land surveying if the person does~~
5 ~~any of the following:~~
6 ~~(1) Engages in land surveying.~~
7 ~~(2) Makes a representation by verbal claim, sign,~~
8 ~~advertisement, letterhead, card, or other manner that the~~
9 ~~person is a land surveyor.~~
10 ~~(3) Uses any title which implies that the person is a land~~
11 ~~surveyor or that the person is licensed under this chapter.~~
12 ~~(4) Holds the person's self out as able to perform, or who~~
13 ~~does perform, any service or work included in the practice of~~
14 ~~land surveying.~~
15 ~~6. 7. The term "land surveying documents" as used in this~~
16 ~~chapter "Land surveying documents" includes all plats, maps,~~
17 ~~surveys, and reports, if the preparation thereof constitutes or~~
18 ~~requires the practice of land surveying.~~
19 ~~7. 8. The term "land surveyor" as used in this chapter~~
20 ~~shall mean "Land surveyor" means a person who engages in the~~
21 ~~practice of land surveying as defined in this section.~~
22 ~~8. 9. a. "Practice of engineering" as used in this~~
23 ~~chapter means any service or creative work, the adequate~~
24 ~~performance of which requires engineering education, training,~~
25 ~~and experience in the application of special knowledge of the~~
26 ~~mathematical, physical, and engineering sciences, such as~~
27 ~~consultation, investigation, evaluation, planning, design and~~
28 ~~design coordination of engineering works and systems, planning~~
29 ~~the use of land and water, performing engineering surveys and~~
30 ~~studies, and the review of construction for the purpose of~~
31 ~~monitoring compliance with drawings and specifications, any of~~
32 ~~which embraces such services or creative work, either public~~
33 ~~or private, in connection with any utilities, structures,~~
34 ~~buildings, machines, equipment, processes, work systems,~~
35 ~~projects, and industrial or consumer products or equipment of~~

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1 a mechanical, electrical, hydraulic, pneumatic, or thermal
2 nature, insofar as they involve safeguarding life, health, or
3 property, and including such other professional services as
4 may be necessary to the planning, progress, and completion of
5 the services identified in this ~~paragraph subsection~~. *“Design*
6 *coordination”* ~~includes the review and coordination of technical~~
7 ~~submissions prepared by others, including as appropriate and~~
8 ~~without limitation, consulting engineers, architects, landscape~~
9 ~~architects, land surveyors, and other professionals working~~
10 ~~under the direction of the engineer. “Engineering surveys”~~
11 ~~includes all survey activities required to support the sound~~
12 ~~conception, planning, design, construction, maintenance, and~~
13 ~~operation of engineered projects, but excludes the surveying~~
14 ~~of real property for the establishment of land boundaries,~~
15 ~~rights-of-way, easements, and the dependent or independent~~
16 ~~surveys or resurveys of the public land survey system.~~

17 *b.* A person is construed to be engaged in the practice of
18 engineering if the person does any of the following:

19 *a.* (1) Practices any branch of the profession of
20 engineering.

21 *b.* (2) Makes a representation by verbal claim, sign,
22 advertisement, letterhead, card, or other manner that the
23 person is a professional engineer.

24 *c.* (3) Uses any title which implies that the person is a
25 professional engineer or that the person is certified under
26 this chapter.

27 *d.* (4) The person holds the person's self out as able to
28 perform, or who does perform, any service or work included in
29 the practice of engineering.

30 10. a. “Practice of land surveying” includes providing
31 professional services such as consultation, investigation,
32 testimony, evaluation, planning, mapping, assembling, and
33 interpreting reliable scientific measurements and information
34 relative to the location of property lines or boundaries, and
35 the utilization, development, and interpretation of these facts

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1 into an orderly survey, plat, or map. The practice of land
2 surveying includes but is not limited to the following:
3 (1) Locating, relocating, establishing, reestablishing,
4 setting, or resetting of permanent monumentation for any
5 property line or boundary of any tract or parcel of land.
6 Setting permanent monuments constitutes an improvement to real
7 property.
8 (2) Making any survey for the division or subdivision of any
9 tract or parcel of land.
10 (3) Determination, by the use of the principles of land
11 surveying, of the position for any permanent survey monument or
12 reference point, or setting, resetting, or replacing any survey
13 monument or reference point excluding the responsibility of
14 engineers pursuant to section 314.8.
15 (4) Creating and writing metes and bounds descriptions as
16 defined in section 354.2.
17 (5) Geodetic surveying for determination of the size and
18 shape of the earth both horizontally and vertically for the
19 precise positioning of permanent land survey monuments on
20 the earth utilizing angular and linear measurements through
21 spatially oriented spherical geometry.
22 (6) Creation, preparation, or modification of electronic
23 or computerized data, including land information systems and
24 geographical information systems, relative to the performance
25 of the activities identified in subparagraphs (1) through (5).
26 b. This subsection does not prohibit a professional engineer
27 from practicing any aspect of the practice of engineering. A
28 land surveyor is not prohibited from performing engineering
29 surveys as defined in the practice of engineering.
30 c. A person is construed to be engaged in or offering to be
31 engaged in the practice of land surveying if the person does
32 any of the following:
33 (1) Engages in land surveying.
34 (2) Makes a representation by verbal claim, sign,
35 advertisement, letterhead, card, or other manner that the

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1 person is a land surveyor.

2 (3) Uses any title which implies that the person is a land
3 surveyor or that the person is licensed under this chapter.

4 (4) Holds the person's self out as able to perform, or who
5 does perform, any service or work included in the practice of
6 land surveying.

7 ~~9.~~ 11. ~~The term "professional engineer" as used in this~~
8 ~~chapter "Professional engineer"~~ means a person, who, by
9 reason of the person's knowledge of mathematics, the physical
10 sciences, and the principles of engineering, acquired by
11 professional education or practical experience, is qualified to
12 engage in the practice of engineering.

13 Sec. 141. Section 542B.14, Code 2011, is amended to read as
14 follows:

15 **542B.14 General requirements for licensure — temporary**
16 **permit to practice engineering.**

17 1. Each applicant for licensure as a professional engineer
18 or land surveyor shall have all of the following requirements,
19 respectively, to wit:

20 ~~1.~~ a. As a professional engineer:

21 ~~a.~~ (1) (a) Graduation from a course in engineering of
22 four years or more in a school or college which, in the opinion
23 of the board, will properly prepare the applicant for the
24 examination in fundamental engineering subjects.

25 ~~(2)~~ (b) However, prior to July 1, 1988, in lieu of
26 compliance with subparagraph ~~(1)~~ division (a), the board may
27 accept eight years' practical experience which, in the opinion
28 of the board, is of satisfactory character to properly prepare
29 the applicant for the examination in fundamental engineering
30 subjects.

31 ~~(3)~~ (c) Between July 1, 1988, and June 30, 1991, in
32 lieu of compliance with subparagraph ~~(1)~~ division (a), the
33 board shall require satisfactory completion of a minimum of
34 two years of postsecondary study in mathematics, physical
35 sciences, engineering technology, or engineering at an

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1 institution approved by the board, and may accept six years'
2 practical experience which, in the opinion of the board, is of
3 satisfactory character to properly prepare the applicant for
4 the examination in fundamental engineering subjects.

5 ~~(4)~~ (d) For applicants who obtained an associate of science
6 degree or a more advanced degree between July 1, 1983, and
7 June 30, 1988, in lieu of compliance with subparagraph ~~(1)~~
8 division (a), the board shall only require compliance with the
9 provisions of subparagraph ~~(3)~~ division (c) with regard to
10 areas of study and practical experience. Applicants qualifying
11 under this subparagraph division must meet the requirements of
12 ~~paragraph "b"~~ subparagraph (2), by June 30, 2001.

13 ~~b-~~ (2) Successfully passing a written, oral, or written
14 and oral examination in fundamental engineering subjects which
15 is designed to show the knowledge of general engineering
16 principles. A person passing the examination in fundamental
17 engineering subjects is entitled to a certificate as an
18 engineer intern.

19 ~~c-~~ (3) In addition to any other requirement, a specific
20 record of four years or more of practical experience in
21 engineering work which is of a character satisfactory to the
22 board.

23 ~~d-~~ (4) Successfully passing a written, oral, or written
24 and oral examination designed to determine the proficiency and
25 qualifications to engage in the practice of engineering. No
26 applicant shall be entitled to take this examination until
27 the applicant shows the necessary practical experience in
28 engineering work.

29 ~~2-~~ b. As a land surveyor:

30 ~~a-~~ (1) (a) Graduation from a course of two years or more
31 in mathematics, physical sciences, mapping and surveying, or
32 engineering in a school or college and six years of practical
33 experience, all of which, in the opinion of the board,
34 will properly prepare the applicant for the examination in
35 fundamental land surveying subjects.

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1 ~~(2)~~ (b) However, prior to July 1, 1988, in lieu of
2 compliance with subparagraph ~~(1)~~ division (a), the board may
3 accept eight years' practical experience which, in the opinion
4 of the board, is of satisfactory character to properly prepare
5 the applicant for the examination in fundamental land surveying
6 subjects.

7 ~~b.~~ (2) Successfully passing a written, oral, or written and
8 oral examination in fundamental land surveying subjects which
9 is designed to show the knowledge of general land surveying
10 principles.

11 ~~c.~~ (3) In addition to any other requirement, a specific
12 record of four years or more of practical experience in land
13 surveying work which is of a character satisfactory to the
14 board.

15 ~~d.~~ (4) Successfully passing a written, oral, or written
16 and oral examination designed to determine the proficiency and
17 qualifications to engage in the practice of land surveying.
18 No applicant shall be entitled to take this examination until
19 the applicant shows the necessary practical experience in land
20 surveying work.

21 2. The board may establish by rule a temporary permit and
22 a fee to permit an engineer to practice for a period of time
23 without applying for licensure.

24 Sec. 142. Section 548.112, Code 2011, is amended to read as
25 follows:

26 **548.112 Infringement.**

27 1. Subject to section 548.116, a person shall not do any of
28 the following:

29 ~~1.~~ a. Use, without the consent of the registrant, any
30 reproduction, counterfeit, copy, or colorable imitation of a
31 mark registered under this chapter in connection with the sale,
32 distribution, offering for sale, or advertising of any goods or
33 services on or in connection with which such use is likely to
34 cause confusion or mistake, or to deceive as to the source of
35 origin of such goods or services.

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1 ~~2.~~ b. Reproduce, counterfeit, copy, or colorably imitate
2 any such mark and apply such reproduction, counterfeit, copy,
3 or colorable imitation to labels, signs, prints, packages,
4 wrappers, receptacles, or advertisements intended to be used
5 upon or in connection with the sale or other distribution in
6 this state of such goods or services.

7 2. The person shall be liable in a civil action by the
8 registrant for any or all of the remedies provided in section
9 548.114, except that under subsection 2 1, paragraph "b", the
10 registrant shall not be entitled to recover profits or damages
11 unless the acts have been committed with the intent to cause
12 confusion or mistake or to deceive.

13 Sec. 143. Section 551A.1, subsection 4, Code 2011, is
14 amended to read as follows:

15 4. a. "Franchise" means a contract between a seller and a
16 purchaser where the parties agree to all of the following:

17 ~~a.~~ (1) A franchisee is granted the right to engage in
18 the business of offering, selling, or distributing goods or
19 services under a marketing plan prescribed in substantial part
20 by a franchisor.

21 ~~b.~~ (2) The operation of the franchisee's business
22 pursuant to such a plan is substantially associated with the
23 franchisor's business and trademark, service mark, trade name,
24 logotype, advertising, or other commercial symbol designating
25 the franchisor or its affiliate.

26 b. For the purposes of this subsection, ~~"franchisee":~~

27 (1) "Franchisee" means a person to whom a franchise is
28 granted ~~and "franchisor".~~

29 (2) "Franchisor" means a person who grants a franchise.

30 Sec. 144. Section 554.2103, subsection 3, Code 2011, is
31 amended to read as follows:

32 3. ~~"Control" as provided in section 554.7106 and the~~ The
33 following definitions in other Articles apply to this Article:

34 a. "Check"..... Section 554.3104

35 b. "Consignee"..... Section 554.7102

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1 c. "Consignor"..... Section 554.7102
2 d. "Consumer goods"..... Section 554.9102
3 e. "Control"..... Section 554.7106
4 f. "Dishonor"..... Section 554.3502
5 g. "Draft"..... Section 554.3104
6 Sec. 145. Section 554.4104, subsection 3, Code 2011, is
7 amended to read as follows:
8 3. ~~"Control" as provided in section 554.7106 and the~~ The
9 following definitions in other Articles apply to this Article:
10 a. "Acceptance"..... Section 554.3409
11 b. "Alteration"..... Section 554.3407
12 c. "Cashier's check"..... Section 554.3104
13 d. "Certificate of deposit"..... Section 554.3104
14 e. "Certified check"..... Section 554.3409
15 f. "Check"..... Section 554.3104
16 g. "Control"..... Section 554.7106
17 h. "Holder in due course"..... Section 554.3302
18 i. "Instrument"..... Section 554.3104
19 j. "Notice of dishonor"..... Section 554.3503
20 k. "Order"..... Section 554.3103
21 l. "Ordinary care"..... Section 554.3103
22 m. "Person entitled to enforce" ... Section 554.3301
23 n. "Presentment"..... Section 554.3501
24 o. "Promise"..... Section 554.3103
25 p. "Prove"..... Section 554.3103
26 q. "Teller's check"..... Section 554.3104
27 r. "Unauthorized signature"..... Section 554.3403
28 Sec. 146. Section 554.5104, Code 2011, is amended to read
29 as follows:
30 **554.5104 Formal requirements.**
31 A letter of credit, confirmation, advice, transfer,
32 amendment, or cancellation may be issued in any form that is
33 a record and is authenticated ~~(i)~~ by a signature or ~~(ii)~~ in
34 accordance with the agreement of the parties or the standard
35 practice referred to in section 554.5108, subsection 5.



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1 Sec. 147. Section 554.9102, subsection 2, Code 2011, is
2 amended to read as follows:
3 2. *Definitions in other Articles.* ~~"Control" as provided in~~
4 ~~section 554.7106 and the~~ The following definitions in other
5 Articles apply to this Article:
6 a. "Applicant"..... Section 554.5102
7 b. "Beneficiary"..... Section 554.5102
8 c. "Broker"..... Section 554.8102
9 d. "Certificated security"..... Section 554.8102
10 e. "Check"..... Section 554.3104
11 f. "Clearing corporation"..... Section 554.8102
12 g. "Contract for sale"..... Section 554.2106
13 h. "Control"..... Section 554.7106
14 i. "Customer"..... Section 554.4104
15 j. "Entitlement holder"..... Section 554.8102
16 k. "Financial asset"..... Section 554.8102
17 l. "Holder in due course"..... Section 554.3302
18 m. "Issuer" (with respect to a letter
19 of credit or letter-of-credit right).. Section 554.5102
20 n. "Issuer" (with respect
21 to a security)..... Section 554.8201
22 o. "Issuer" (with respect
23 to documents of title)..... Section 554.7102
24 p. "Lease"..... Section 554.13103
25 q. "Lease agreement"..... Section 554.13103
26 r. "Lease contract"..... Section 554.13103
27 s. "Leasehold interest"..... Section 554.13103
28 t. "Lessee"..... Section 554.13103
29 u. "Lessee in ordinary
30 course of business"..... Section 554.13103
31 v. "Lessor"..... Section 554.13103
32 w. "Lessor's residual interest".... Section 554.13103
33 x. "Letter of credit"..... Section 554.5102
34 y. "Merchant"..... Section 554.2104
35 z. "Negotiable instrument"..... Section 554.3104

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1	<u>aa.</u>	"Nominated person".....	Section 554.5102
2	<u>ab.</u>	"Note".....	Section 554.3104
3	<u>ac.</u>	"Proceeds of a letter of credit".	Section 554.5114
4	<u>ad.</u>	"Prove".....	Section 554.3103
5	<u>ae.</u>	"Sale".....	Section 554.2106
6	<u>af.</u>	"Securities account".....	Section 554.8501
7	<u>ag.</u>	"Securities intermediary".....	Section 554.8102
8	<u>ah.</u>	"Security".....	Section 554.8102
9	<u>ai.</u>	"Security certificate".....	Section 554.8102
10	<u>aj.</u>	"Security entitlement".....	Section 554.8102
11	<u>ak.</u>	"Uncertificated security".....	Section 554.8102

DIVISION III

INTERNAL REFERENCE CHANGES

14 Sec. 148. Section 225C.28B, subsection 2, Code 2011, is
15 amended to read as follows:

16 2. *Insurance protection.* Pursuant to section 507B.4,
17 subsection 7 3, paragraph "g", a person or designated group of
18 persons shall not be denied insurance coverage by reason of
19 mental retardation, a developmental disability, brain injury,
20 or chronic mental illness.

21 Sec. 149. Section 225C.29, Code 2011, is amended to read as
22 follows:

23 **225C.29 Compliance.**

24 Except for a violation of section 225C.28B, subsection
25 2, the sole remedy for violation of a rule adopted by the
26 commission to implement sections 225C.25 through 225C.28B shall
27 be by a proceeding for compliance initiated by request to the
28 division pursuant to chapter 17A. Any decision of the division
29 shall be in accordance with due process of law and is subject
30 to appeal to the Iowa district court pursuant to sections
31 17A.19 and 17A.20 by any aggrieved party. Either the division
32 or a party in interest may apply to the Iowa district court
33 for an order to enforce the decision of the division. Any
34 rules adopted by the commission to implement sections 225C.25
35 through 225C.28B do not create any right, entitlement, property

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1 or liberty right or interest, or private cause of action for
2 damages against the state or a political subdivision of the
3 state or for which the state or a political subdivision of the
4 state would be responsible. Any violation of section 225C.28B,
5 subsection 2, shall solely be subject to the enforcement by the
6 commissioner of insurance and penalties granted by chapter 507B
7 for a violation of section 507B.4, subsection 7 3, paragraph
8 "g".

9 Sec. 150. Section 455B.473, subsection 4, Code Supplement
10 2011, is amended to read as follows:

11 4. An owner or operator of a storage tank described in
12 section 455B.471, subsection 11, paragraph ~~"a"~~ "b", subparagraph
13 (1), subparagraph division (a), which brings the tank into
14 use after July 1, 1987, shall notify the department of the
15 existence of the tank within thirty days. The registration
16 of the tank shall be accompanied by a fee of ten dollars to
17 be deposited in the storage tank management account. A tank
18 which is existing before July 1, 1987, shall be reported to the
19 department by July 1, 1989. Tanks under this section installed
20 on or following July 1, 1987, shall comply with underground
21 storage tank regulations adopted by rule by the department.

22 Sec. 151. Section 491.5, subsection 8, Code 2011, is amended
23 to read as follows:

24 8. Any provision eliminating or limiting the personal
25 liability of a director to the corporation or its shareholders
26 or members for money damages as provided in section 490.202,
27 subsection 2, paragraph ~~"d"~~, except that section 490.202,
28 subsection 2, paragraph ~~"d"~~, subparagraph (1), subparagraph ~~{3}~~
29 division (c), shall have no application.

30 Sec. 152. Section 507B.7, subsection 1, paragraph c, Code
31 Supplement 2011, is amended to read as follows:

32 c. Payment of interest at the rate of ten percent per
33 annum if the commissioner finds that the insurer failed to pay
34 interest as required under section 507B.4, subsection ~~16~~ 3,
35 paragraph "p".

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1 Sec. 153. Section 512B.13, Code 2011, is amended to read as
2 follows:

3 **512B.13 Institutions.**

4 A society may create, maintain, and operate, or may
5 establish organizations to operate, not-for-profit institutions
6 to further the purposes permitted by section 512B.6, subsection
7 1, paragraph ~~"b"~~ "a", subparagraph (2). The institutions may
8 furnish services free or at a reasonable charge. Any real or
9 personal property owned, held, or leased by the society for
10 this purpose shall be reported in every annual statement. A
11 not-for-profit institution so established is a charitable
12 institution with all the rights, benefits, and privileges given
13 to charitable institutions under the Constitution and laws of
14 the State of Iowa. The commissioner may adopt appropriate
15 rules and reporting requirements.

16 Sec. 154. Section 515E.4, subsection 4, Code Supplement
17 2011, is amended to read as follows:

18 4. *Compliance with unfair claim settlement practices law.* A
19 risk retention group, its agents, and representatives, shall
20 comply with the unfair claim settlement practices law in
21 section 507B.4, subsection ~~10~~ 3, paragraph ~~"j"~~.

22 Sec. 155. Section 524.302, subsection 2, paragraph c, Code
23 2011, is amended to read as follows:

24 c. A provision eliminating or limiting the personal
25 liability of a director to the corporation or its shareholders
26 for monetary damages for breach of fiduciary duty as a
27 director, provided that the provision does not eliminate
28 or limit the liability of a director for any breach of
29 the director's duty of loyalty to the corporation or its
30 shareholders, for acts or omissions not in good faith or which
31 involve intentional misconduct or a knowing violation of law,
32 for any transaction from which the director derives an improper
33 personal benefit, or under section 524.605, subsection 1,
34 paragraph "a" or ~~2~~ "b". A provision shall not eliminate or
35 limit the liability of a director for any act or omission

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1 occurring prior to the date when the provision in the articles
2 of incorporation becomes effective.

3 Sec. 156. Section 536A.30, subsection 2, Code 2011, is
4 amended to read as follows:

5 2. Section 536A.10, ~~subsections 2, 3, and 4~~ subsection 1,
6 paragraphs "b", "c", and "d".

7 DIVISION IV

8 DIRECTIVES

9 Sec. 157. CODE EDITOR DIRECTIVES.

10 1. Sections 175.6, subsection 12; and 331.652, subsection
11 4, Code 2011, are amended by striking the word "co-operation"
12 and inserting in lieu thereof the word "cooperation".

13 2. Sections 28D.1, 321.6, and 341A.17, Code 2011, are
14 amended by striking the word "co-operation" and inserting in
15 lieu thereof the word "cooperation".

16 3. Sections 13A.9, subsection 2; 29C.1, subsection 3;
17 169.19, subsection 5; 175.6, subsection 5; 273.9, subsection 2;
18 and 403.12, subsection 1, Code 2011, are amended by striking
19 the word "co-operate" and inserting in lieu thereof the word
20 "cooperate".

21 4. Sections 177A.4, 199.14, 249.12, and 321.6, Code 2011,
22 are amended by striking the word "co-operate" and inserting in
23 lieu thereof the word "cooperate".

24 5. Section 179.1, subsection 5, Code 2011, is amended by
25 striking the word "co-operatives" and inserting in lieu thereof
26 the word "cooperatives".

27 6. Sections 185.1, subsection 5; 185C.1, subsection 7;
28 215A.1, subsection 4; and 419.1, subsection 4, Code 2011, are
29 amended by striking the word "co-operative" and inserting in
30 lieu thereof the word "cooperative".

31 7. Sections 263B.3, 456A.29, and 456B.10, Code 2011, are
32 amended by striking the word "co-operative" and inserting in
33 lieu thereof the word "cooperative".

34 8. Section 275.56, Code 2011, is amended by striking the
35 word "re-employing" and inserting in lieu thereof the word

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1 "reemploying".

2 9. Section 275.56, Code 2011, is amended by striking the
3 word "re-employed" and inserting in lieu thereof the word
4 "reemployed".

5 10. Sections 341A.6, subsection 6; and 411.21, subsection
6 3, Code 2011, are amended by striking the word "re-employed"
7 and inserting in lieu thereof the word "reemployed".

8 11. The Code editor is directed to number, renumber,
9 designate, or redesignate to eliminate unnumbered paragraphs
10 within sections 491.5, 491.111, 496C.21, 499.47C, 499.67,
11 499A.2A, 501.617, 507A.3, 507C.12, 510.2, 511.10, 514B.4,
12 514B.14, 514B.20, 515.70, 515F.3, 515G.3, 518.11, 524.224,
13 524.604, 524.801, 524.825, 524.1102, 524.1508, 538.5, 544A.11,
14 544A.21, 544A.25, 544B.9, 544B.14, 544C.3, 548.103, 548.113,
15 552.5, and 552.12, Code 2011, in accordance with established
16 Code section hierarchy and correct internal references in the
17 Code and in any enacted Iowa Acts, as necessary.

18 12. The Code editor is directed to number, renumber,
19 designate, or redesignate to eliminate unnumbered paragraphs
20 within section subunits in sections 490.120, subsection
21 7; 490.121, subsection 1; 490.744, subsection 4; 490.824,
22 subsection 4; 490.1301, subsection 4; 490.1701, subsection 2;
23 490.1701, subsection 3, paragraph "b"; 496B.9, subsection 3,
24 paragraph "b"; 499.30, subsection 2, paragraph "a"; 499.66,
25 subsection 2; 500.3, subsection 2; 501A.206, subsection 1;
26 501A.502, subsection 3; 501A.715, subsection 3; 501A.904,
27 subsection 7; 501A.906, subsection 2; 501A.1003, subsection
28 4, paragraph "b"; 502.321B, subsection 5; 502.509, subsection
29 13B; 502A.1, subsection 4; 504.202, subsection 2, paragraph
30 "d"; 504.503, subsection 1; 504.635, subsection 4; 504.1509,
31 subsection 1; 507.10, subsection 4, paragraph "b", subparagraph
32 (1); 508.36, subsection 2, paragraph "d"; 508.36, subsection
33 5, paragraph "c", subparagraph (1), subparagraph division (c),
34 subparagraph subdivision (v); 508.36, subsections 7 and 9;
35 508.37, subsection 6, paragraph "a"; 508.38, subsection 2;

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1 509B.3, subsection 4; 513B.4, subsection 2; 513C.3, subsection
2 15; 513C.7, subsection 1; 513C.10, subsection 2; 514C.4,
3 subsection 1; 514D.5, subsection 2; 515.12, subsection 5;
4 515.48, subsections 1 and 8; 515.109, subsection 2; 515A.18,
5 subsection 3; 515B.5, subsection 1, paragraph "c"; 515B.6,
6 subsection 1; 515D.2, subsection 2; 515F.5, subsection 1;
7 515F.13, subsection 2, paragraph "d"; 516A.2, subsection 1;
8 516E.3, subsection 1, paragraph "c"; 516E.3, subsection 2,
9 paragraph "b"; 518C.6, subsection 1, paragraph "c"; 518C.7,
10 subsection 1; 519A.3, subsection 3; 519A.4, subsection 1;
11 519A.9, subsection 2; 521A.5, subsection 3, paragraphs "a" and
12 "b"; 521A.14, subsection 7; 521B.3, subsection 3; 521C.11,
13 subsection 1; 521D.2, subsection 3; 521E.10, subsection
14 1; 522B.14, subsections 6, 7, and 8; 523C.5, subsection 1;
15 523D.3, subsection 1, paragraph "n"; 523D.5, subsection 3;
16 523G.6, subsection 3; 523I.316, subsection 3, paragraph "d";
17 523I.508, subsections 2 and 3; 523I.812, subsection 2; 524.103,
18 subsection 17; 524.606, subsection 2; 524.1403, subsection
19 2; 527.5, subsection 3; 536A.20, subsection 3; 536A.25,
20 subsection 2; 537.1301, subsection 45; 537.2501, subsection 1,
21 paragraph "f"; 537.2510, subsection 2, paragraph "a"; 537.3612,
22 subsection 4; 537.5110, subsection 2; 537.5201, subsection 1;
23 537A.10, subsections 9 and 11; 537B.3, subsection 2; 543C.4,
24 subsection 5; 546.10, subsection 3; 548.102, subsection 5;
25 551A.3, subsection 2; 551A.4, subsection 1, paragraph "b";
26 552A.2, subsection 6; 554.2103, subsection 2; 554.4104,
27 subsection 2; 554.5102, subsection 2; 554.8102, subsection 1,
28 paragraph "i"; 554.8102, subsection 2; 554.8503, subsection
29 4; 554.12105, subsections 2 and 3; and 554.13103, subsections
30 2 and 3, Code and Code Supplement 2011, in accordance with
31 established Code section hierarchy and correct internal
32 references in the Code and in any enacted Iowa Acts, as
33 necessary.

34
35

DIVISION V
EFFECTIVE DATE PROVISIONS

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1 Sec. 158. EFFECTIVE DATE. The section of this Act amending
2 602.4201, subsection 3, paragraph "h", Code 2011, as amended by
3 2011 Iowa Acts, ch. 121, section 60, takes effect July 1, 2012.

4 EXPLANATION

5 This bill makes Code changes and corrections that are
6 considered to be nonsubstantive and noncontroversial, in
7 addition to style changes. Changes made include updating
8 or correcting names of and references to public and private
9 entities and funds, correcting internal Code references
10 and terminology, updating United States Code and Code of
11 Federal Regulations references, making various corrections
12 to spelling and grammar, and renumbering and reorganizing
13 various provisions to eliminate unnumbered paragraphs and
14 facilitate citation. The Code sections in which the technical,
15 grammatical, and other nonsubstantive changes are made include
16 the following:

17 DIVISION I. Code section 6B.14: Corrects grammar in
18 language relating to meetings of the compensation commission
19 regarding appraisal of property sought to be condemned under
20 eminent domain procedures.

21 Code sections 8F.2, 96.21, 97C.5, 97C.10, 97C.15, 451.1,
22 509B.1, 513C.3, 514G.103, 634A.1, and 714G.8: Abbreviates the
23 word "Title" in a references to federal Acts in provisions
24 regarding government accountability and unemployment
25 compensation and the federal Social Security Enabling Act.

26 Code sections 10B.4 and 15.104: Adds, to correct hypertext
27 linkage, the words "Code 2011" after references to the former
28 Code chapter that governed life sciences enterprises. Code
29 chapter 10C was repealed by 2011 Iowa Acts, chapter 118,
30 section 35.

31 Code section 12.87: Strikes "as follows:" and inserts a
32 reference to paragraph "b" in paragraph "a" of this provision
33 relating to the bonding authority of the treasurer of state, to
34 conform the format to other provisions in the Code.

35 Code section 15.117A: Corrects the grammar by supplying

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1 the missing word "of" in this provision relating to the
2 annual review of economic development programs by the economic
3 development authority.

4 Code section 15.247: Redesignates paragraphs to set apart
5 provisions relating to term limits for members of the targeted
6 small business financial assistance board from those relating
7 to conflicts of interest.

8 Code section 15A.9: Numbers unnumbered paragraphs within
9 this provision relating to designation of sites as quality jobs
10 enterprise zones.

11 Code sections 34A.15 and 80B.11C: Updates references by
12 name to the organizations now called the Iowa professional
13 fire fighters, the Iowa peace officers association,
14 and the association of public-safety communications
15 officials-international, inc., in provisions relating to the
16 E911 communications council and telecommunicator training
17 standards.

18 Code sections 80B.11A, 80E.2, 356.36, and 356.37: Updates
19 references by name to the organization now called the Iowa
20 peace officers association in provisions relating to the
21 membership of the drug policy advisory council, jail and jailer
22 training standards, and a report on confinement and detention
23 needs of jails and municipal holding facilities.

24 Code section 96.27: Strikes an incorrect self-reference
25 in a reference to Code section 96.25 in language relating
26 to approval of purchases of premises with funds granted
27 or credited under the federal Social Security Act or the
28 Wagner-Peyser Act.

29 Code section 99D.11: Corrects references to the method of
30 wagering known as "advance deposit" wagering in the provision
31 governing licensees of horse or dog racetracks and authorizing
32 the acceptance of advance deposit wagers.

33 Code sections 100B.1 and 411.36: Updates references by
34 name to the organization now called the Iowa professional fire
35 fighters in provisions regarding the state fire service and



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1 emergency response council and the board of trustees for the
2 statewide fire and police retirement system.

3 Code section 105.2: Changes "refrigerated equipment" to
4 "refrigeration equipment" within the definition of "hydronic"
5 in the Code chapter on the licensing of plumbers, mechanical
6 professionals, and contractors.

7 Code sections 124.401, 161G.3, and 456A.33B: Corrects
8 the spelling of the chemical name "phosphorus" in provisions
9 relating to controlled substances, the Mississippi river basin
10 health watersheds initiative, and lake restoration.

11 Code section 135.105: Corrects the spelling of the word
12 "specialty" within language describing the duty of the
13 department of public health to coordinate childhood lead
14 poisoning prevention programs with other entities and programs.

15 Code sections 135.159, 225B.3, 225C.6, 231E.4, 249A.4B,
16 and 256.35A: Updates references by name to the organization
17 now called the Iowa developmental disabilities council in
18 provisions regarding the membership of the medical home
19 system advisory council, the prevention of disabilities
20 policy council, the medical assistance advisory council, and
21 the Iowa autism council, and the duties of the mental health
22 and disability services commission and the state office of
23 substitute decision maker.

24 Code sections 162.20 and 455B.171: Completes Code of
25 Federal Regulations references in provisions regarding the
26 sterilization of dogs and cats and sewage sludge.

27 Code section 241.3: Corrects a reference to the office
28 on the status of women of the department of human rights in
29 a provision regarding the provision of services to displaced
30 homemakers by the department of human services.

31 Code section 256.32: Corrects a reference by name to the
32 postsecondary agriculture student organization of Iowa in a
33 provision establishing the advisory council for agricultural
34 education.

35 Code section 256C.5: Adds the words "Code 2011" after a



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1 reference to 256C.6, which was repealed in 2011, in language
2 relating to funding for the preschool foundation aid program.
3 Code sections 260H.2 and 260H.8: Corrects two references by
4 name to the department of workforce development in the pathways
5 for academic career and employment Act chapter.
6 Code sections 273.2 and 273.3: Rewrites two citation series
7 to eliminate internal self-references in provisions relating
8 to the powers and duties of area education agencies and area
9 education agency boards.
10 Code section 280.13C: Renumbers, reorganizes, and places
11 definitions in alphabetical order in language relating to
12 school policies on brain injury and student participation in
13 extracurricular interscholastic activities.
14 Code sections 313.3, 410.1, and 451.1: Updates state and
15 federal Acts citations to the current Code style and format in
16 provisions relating to federal highway fund revenue, police and
17 fire fighter pension funds, and state estate taxes.
18 Code sections 331.512 and 331.559: Corrects the name
19 of the brucellosis and tuberculosis eradication fund in
20 provisions relating to levy of taxes for the fund. The fund
21 was renamed and placed under the jurisdiction of the department
22 of agriculture and land stewardship in 1983 Iowa Acts, chapter
23 123.
24 Code section 403.21: Strikes an extraneous "and" in a
25 series in language relating to communications between community
26 colleges and the economic development authority regarding new
27 jobs training agreements.
28 Code section 437A.3: Renumbers to eliminate unnumbered
29 paragraphs within the definitions of "local amount" and "major
30 addition" in the definitions section for the chapter on taxes
31 on electricity and natural gas providers.
32 Code sections 452A.5 and 452A.8: Renumbers to eliminate
33 unnumbered paragraphs within these provisions relating to motor
34 fuel and special fuel taxes.
35 Code section 453A.13: Eliminates redundant language and

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1 adds punctuation to a series in language relating to fees for
2 cigarette distributor, wholesaler, and retailer permits.

3 Code section 455B.261: Splits a paragraph and renumbers
4 within a definition of the term "established average minimum
5 flow" in the definitions section that relates to water
6 allocation and use to distinguish the separate definition of
7 "average minimum flow".

8 Code section 455B.423: Adds the word "to" to conform the
9 grammar of the subparagraph regarding hazardous waste disposal
10 agreements to the grammar of the rest of the paragraph.

11 Code section 455B.471: Renumbers within a definition of
12 "underground storage tank" to group together the provisions
13 that describe the tanks and other holding devices that do not
14 fall within the definition.

15 Code section 455B.474: Corrects internal references within
16 provisions regarding corrective actions by owners of property
17 on which there has been a release of a regulated substance from
18 an underground storage tank and establishment of financial
19 responsibility by tank owners.

20 Code section 462A.52: Corrects a citation to an Iowa Act by
21 adding the word "Iowa" in this provision relating to a report
22 by the department of natural resources on programs to control
23 aquatic invasive species and for the enforcement of navigation
24 and water safety laws.

25 Code section 466B.3: Completes a reference to the official
26 title of the secretary of agriculture in language describing
27 the membership of the water resources coordinating council.

28 Code section 468.174: Numbers and letters paragraphs to
29 provide hierarchical Code structure to language relating
30 to drainage district membership fees and annual dues for
31 membership in the national drainage association.

32 Section 476.1: Redesignates unnumbered paragraphs and
33 subsections to conform this provision relating to the
34 regulatory authority of the utilities board to current Code
35 hierarchy and format.

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1 Code section 476.1D: Corrects an internal reference by
2 changing the word "paragraph" to "subparagraph" within a
3 provision relating to extensions of utility board retail
4 rate jurisdiction over increases in residential and business
5 telephone rates.

6 Code sections 499.47B, 499.64, 501.203, 501.204, 501.601,
7 and 501.603: Adds the word "vote" after the word "which" in
8 nearly identical language in each of these Code provisions
9 which describe the majority requirements that must be met
10 in order for cooperatives to engage in various types of
11 activities.

12 Code section 501.614: Rewrites by replacing the words "in
13 which" with "and" and adding "in the voting" at the end of
14 language relating to the majority requirements that must be
15 met in order for a cooperative to approve a plan of merger or
16 consolidation.

17 Code section 524.221: Corrects a typographical error in a
18 language relating to records of federally chartered savings and
19 loan associations.

20 Code section 558.66: Adds the missing word "in" to correct
21 a clerical error in language relating to instruments used to
22 update the county transfer books and index.

23 2011 Iowa Acts, chapter 121, section 60: Corrects a singular
24 article and plural noun disagreement within a future amendment
25 to Code section 602.4201, effective July 1, 2012, to language
26 regarding involuntary commitment proceedings for persons with
27 alcohol or chemical dependency disorders.

28 Code section 717.5: Adds the missing word "of" to correct
29 a clerical error in language relating to the maintaining and
30 disposal of neglected livestock that has been rescued by local
31 authorities.

32 DIVISION II. The Code sections in this division are amended
33 by numbering, renumbering, designating, or redesignating
34 provisions within volume V of the Code, and by changing
35 textual references as necessary. The purposes of the Code

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1 changes are to conform the Code provisions to existing Code
2 section hierarchy, to eliminate "unanchored" unnumbered
3 paragraphs within the Code sections, to facilitate Code section
4 readability, and to facilitate citation to those Code sections.

5 DIVISION III. This division contains corrections to
6 internal references to Code sections that are numbered,
7 renumbered, designated, or redesignated in division II of this
8 bill.

9 DIVISION IV. This division contains Code editor directives
10 to correct hyphenation in the words "cooperation", "cooperate",
11 "cooperative", "reemploying", and "reemployed" and to number,
12 renumber, designate, or redesignate Code provisions to
13 eliminate "unanchored" unnumbered paragraphs in Code provisions
14 in volume V of the Code that do not require any additional
15 textual reference corrections.

16 DIVISION V. This division contains an effective date
17 provision relating to a corrective change to 2011 Iowa Acts,
18 chapter 121, section 60, that is contained in division I of the
19 bill.



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Senate File 2204 - Introduced

SENATE FILE 2204
BY SODDERS

A BILL FOR

1 An Act establishing a public safety training and equipment
2 trust fund and providing for appropriations of moneys in the
3 fund.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 80B.11F Public safety training and
2 equipment trust fund.

3 1. A public safety training and equipment trust fund is
4 created in the state treasury under the control of the council.

5 2. The trust fund shall consist of moneys deposited in
6 the fund pursuant to section 432.1, subsection 7, and any
7 other devise, gift, bequest, donation, federal or other grant,
8 reimbursement, repayment, judgment, transfer, payment, or
9 appropriation from any source intended to be used for the
10 purposes of the trust fund. Of the moneys deposited in the
11 trust fund, an amount equal to ten percent of the moneys
12 deposited, or such lesser amount as determined by the council,
13 shall be allocated to a capital projects account for the
14 purposes of facility needs of the academy.

15 3. Moneys credited to the trust fund are not subject to
16 section 8.33 and shall not be transferred, used, obligated,
17 appropriated, or otherwise encumbered except as provided
18 in this section and for succeeding fiscal years shall
19 remain available for expenditure for purposes of the fund.
20 Notwithstanding section 12C.7, subsection 2, interest or
21 earnings on moneys deposited in the trust fund shall be
22 credited to the trust fund.

23 4. a. Moneys in the trust fund are appropriated to the
24 council and shall be expended upon a majority vote of the
25 council membership and used for training costs at the academy
26 incurred by a political subdivision of the state and for law
27 enforcement personnel equipment costs, excluding vehicles,
28 incurred by a political subdivision of the state. It is the
29 intent of the general assembly that all training costs incurred
30 by a political subdivision be reimbursed from moneys in the
31 trust fund and that such remaining moneys in the trust fund,
32 less such amount needed for cash flow purposes of the trust
33 fund, be used to reimburse law enforcement personnel equipment
34 costs in such manner as the council shall determine.

35 b. Moneys in the capital projects account of the trust fund

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1 are appropriated to the council and shall be expended upon a
2 majority vote of the council membership and used for facility
3 needs of the academy.

4 Sec. 2. Section 432.1, Code 2011, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 7. Of the amount of premium tax receipts
7 collected pursuant to subsection 3 for the 2014 and subsequent
8 calendar years and deposited in the general fund of the state,
9 the department of revenue shall transfer one-half of such
10 amount to the public safety training and equipment trust fund
11 created in section 80B.11F.

12 EXPLANATION

13 This bill establishes a public safety training and equipment
14 trust fund under the control of the Iowa law enforcement
15 academy council. The trust fund shall consist of moneys
16 deposited in the fund from premium tax receipts as provided by
17 the bill. Of the moneys deposited in the fund, 10 percent,
18 or such lesser amount as determined by the council, shall be
19 allocated to a capital projects account of the trust fund and
20 shall be used for facility needs of the Iowa law enforcement
21 academy. The remaining moneys deposited in the fund shall be
22 used for training costs at the academy and for law enforcement
23 personnel equipment costs, excluding vehicles, all incurred
24 by a political subdivision of the state. The bill provides
25 that it is the intent of the general assembly that training
26 costs incurred by a political subdivision be fully reimbursed
27 from moneys in the fund and that the remaining moneys in the
28 fund, less an amount needed for cash flow purposes, be used to
29 reimburse law enforcement personnel equipment costs. Moneys
30 in the fund shall not revert to the general fund of the state,
31 and interest and earnings on moneys in the fund shall remain
32 in the fund.

33 Code section 432.1, concerning tax on gross insurance
34 premiums, is amended to provide that one-half of the moneys
35 collected from premium tax receipts on insurance policies,

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1 other than life insurance policies, shall be transferred to
2 the public safety training and equipment trust fund created
3 by the bill beginning with premium tax receipts received
4 during calendar year 2014. Moneys deposited in the trust fund
5 are appropriated to the law enforcement academy council for
6 expenditure as provided in the bill.



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Senate File 2205 - Introduced

SENATE FILE 2205
BY WHITVER

A BILL FOR

1 An Act relating to the promulgation and review of
2 administrative rules.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 17A.1, subsection 4, Code 2011, is
2 amended to read as follows:

3 4. In accomplishing its objectives, the intention of this
4 chapter is to strike a fair balance between these purposes and
5 the need for efficient, economical and effective government
6 administration. The intention of this chapter is to apply a
7 consistent, full-time effort toward making Iowa's regulatory
8 climate one which is more hospitable, obtains more input from
9 the citizens of Iowa, and is more transparent.

10 5. The chapter is not meant to alter the substantive rights
11 of any person or agency. Its impact is limited to procedural
12 rights with the expectation that better substantive results
13 will be achieved in the everyday conduct of state government by
14 improving the process by which those results are attained.

15 Sec. 2. Section 17A.4, subsection 1, paragraph b, Code 2011,
16 is amended to read as follows:

17 b. (1) Afford all interested persons not less than twenty
18 days to submit data, views, or arguments in writing, including
19 in an electronic format. If feasible, an electronic format may
20 include the use of electronic mail and posting to an internet
21 site. If timely requested in writing by twenty-five interested
22 persons, by a governmental subdivision, by the administrative
23 rules review committee, by an agency, or by an association
24 having not less than twenty-five members, the agency must give
25 interested persons an opportunity to make oral presentation.

26 (2) To the extent practicable, the agency shall provide
27 an opportunity to make oral presentations using the Iowa
28 communications network or other electronic means and provide
29 public access at multiple sites throughout the state. If
30 a request is received from twenty-five interested persons
31 residing in the same city or county, the agency shall provide
32 an opportunity for oral presentation in that city or county.

33 (3) The opportunity for oral presentation must be held
34 at least twenty days after publication of the notice of its
35 time and place in the Iowa administrative bulletin. The

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1 agency shall consider fully all written and oral submissions
2 respecting the proposed rule. Within one hundred eighty
3 days following either the notice published according to the
4 provisions of paragraph "a" or within one hundred eighty
5 days after the last date of the oral presentations on the
6 proposed rule, whichever is later, the agency shall adopt a
7 rule pursuant to the rulemaking proceeding or shall terminate
8 the proceeding by publishing notice of termination in the Iowa
9 administrative bulletin.

10 Sec. 3. Section 17A.4, subsections 2 and 3, Code 2011, are
11 amended to read as follows:

12 2. An agency shall include in a preamble to each rule
13 ~~it adopts a brief explanation of the principal reasons for~~
14 ~~its action pursuant to section 17A.5 a concise statement~~
15 of the principal reasons for and against the rule adopted,
16 incorporating in the statement the reasons for overruling
17 considerations urged against the rule and, if applicable, a
18 brief explanation of the principal reasons for its failure to
19 provide in that rule for the waiver of the rule in specified
20 situations if no such waiver provision is included in the rule.
21 This explanatory requirement does not apply when the agency
22 adopts a rule that only defines the meaning of a provision of
23 law if the agency does not possess delegated authority to bind
24 the courts to any extent with its definition. In addition, if
25 requested to do so by an interested person, either prior to
26 adoption or within thirty days thereafter, the agency shall
27 issue a concise statement of the principal reasons for and
28 against the rule adopted, incorporating therein the reasons for
29 overruling considerations urged against the rule. This concise
30 statement shall be issued either at the time of the adoption of
31 the rule or within thirty-five days after the agency receives
32 the request.

33 3. a. When an agency for good cause finds that notice and
34 public participation would be unnecessary, impracticable, or
35 contrary to the public interest, the provisions of subsection 1

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1 shall be inapplicable. The agency shall incorporate in each
2 rule issued in reliance upon this provision either the finding
3 and a brief statement of the reasons for the finding, or a
4 statement that the rule is within a very narrowly tailored
5 category of rules whose issuance has previously been exempted
6 from subsection 1 by a special rule relying on this provision
7 and including such a finding and statement of reasons for the
8 entire category. A rule adopted pursuant to this subsection
9 shall only remain in effect for one hundred eighty days, unless
10 a shorter period is specified in the rule.

11 b. If the administrative rules review committee by a
12 two-thirds vote, the governor, or the attorney general files
13 with the administrative code editor an objection to the
14 adoption of any rule pursuant to this subsection, that rule
15 shall cease to be effective one hundred eighty days after
16 the date the objection was filed. A copy of the objection,
17 properly dated, shall be forwarded to the agency at the time of
18 filing the objection. In any action contesting a rule adopted
19 pursuant to this subsection, the burden of proof shall be on
20 the agency to show that the procedures of subsection 1 were
21 impracticable, unnecessary, or contrary to the public interest
22 and that, if a category of rules was involved, the category was
23 very narrowly tailored.

24 Sec. 4. Section 17A.4A, Code 2011, is amended to read as
25 follows:

26 **17A.4A Regulatory analysis.**

27 1. a. An agency shall issue a regulatory analysis of
28 a proposed rule that complies with subsection 2, paragraph
29 "a", if, within thirty-two days after the published notice of
30 proposed rule adoption, a written request for the analysis is
31 submitted to the agency by the administrative rules review
32 committee or the administrative rules coordinator. ~~An agency~~
33 ~~shall issue a regulatory analysis of a proposed rule that~~
34 ~~complies with subsection 2, paragraph "b", if the rule would~~
35 ~~have a substantial impact on small business and if, within~~

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~~1 thirty-two days after the published notice of proposed rule~~
~~2 adoption, a written request for analysis is submitted to the~~
~~3 agency by the administrative rules review committee, the~~
~~4 administrative rules coordinator, at least twenty-five persons~~
~~5 signing that request who each qualify as a small business or by~~
~~6 an organization representing at least twenty-five such persons.~~
7 If a rule has been adopted without prior notice and an
8 opportunity for public participation in reliance upon section
9 17A.4, subsection 3, the written request for an analysis that
10 complies with subsection 2, paragraph "a" or "b", may be made
11 within seventy days of publication of the rule.

12 b. An agency shall issue a regulatory analysis of a rule
13 that complies with subsection 2, paragraph "b", if the rule is a
14 proposed rule, or has been adopted without prior notice and an
15 opportunity for public participation, if the rule would have an
16 adverse impact on small business. A regulatory analysis issued
17 pursuant to this paragraph shall be published as part of the
18 notice of proposed rule adoption or published along with a rule
19 that has been adopted without notice.

20 2. a. Except to the extent that a written request for
21 a regulatory analysis expressly waives one or more of the
22 following, the regulatory analysis must contain all of the
23 following:

24 (1) A description of the classes of persons who probably
25 will be affected by the proposed rule, including classes that
26 will bear the costs of the proposed rule and classes that will
27 benefit from the proposed rule.

28 (2) A description of the probable quantitative and
29 qualitative impact of the proposed rule, economic or otherwise,
30 upon affected classes of persons, including a description of
31 the nature and amount of all of the different kinds of costs
32 that would be incurred in complying with the proposed rule.

33 (3) The probable costs to the agency and to any other agency
34 of the implementation and enforcement of the proposed rule and
35 any anticipated effect on state revenues.

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1 (4) A comparison of the probable costs and benefits of the
2 proposed rule to the probable costs and benefits of inaction.

3 (5) A determination of whether less costly methods or
4 less intrusive methods exist for achieving the purpose of the
5 proposed rule.

6 (6) A description of any alternative methods for achieving
7 the purpose of the proposed rule that were seriously considered
8 by the agency and the reasons why they were rejected in favor
9 of the proposed rule.

10 *b.* In the case of a rule that would have a ~~substantial~~
11 adverse impact on small business, the regulatory analysis
12 must contain a discussion of whether it would be feasible and
13 practicable to do any of the following to reduce the impact of
14 the rule on small business:

15 (1) Establish less stringent compliance or reporting
16 requirements in the rule for small business.

17 (2) Establish less stringent schedules or deadlines in
18 the rule for compliance or reporting requirements for small
19 business.

20 (3) Consolidate or simplify the rule's compliance or
21 reporting requirements for small business.

22 (4) Establish performance standards to replace design or
23 operational standards in the rule for small business.

24 (5) Exempt small business from any or all requirements of
25 the rule.

26 *c.* The agency shall reduce the impact of a proposed rule
27 that would have a ~~substantial~~ adverse impact on small
28 business by using a method discussed in paragraph "b" if the
29 agency finds that the method is legal and feasible in meeting
30 the statutory objectives which are the basis of the proposed
31 rule. For purposes of judicial review, a small business shall
32 be deemed to be aggrieved or adversely affected by an agency
33 determination that it would not be legal and feasible to reduce
34 the impact of a rule.

35 3. Each regulatory analysis must include quantifications

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1 of the data to the extent practicable and must take account of
2 both short-term and long-term consequences.

3 4. Upon receipt by an agency of a timely request for
4 a regulatory analysis, the agency shall extend the period
5 specified in this chapter for each of the following until at
6 least twenty days after publication in the administrative
7 bulletin of a concise summary of the regulatory analysis:

8 a. The end of the period during which persons may make
9 written submissions on the proposed rule.

10 b. The end of the period during which an oral proceeding may
11 be requested.

12 c. The date of any required oral proceeding on the proposed
13 rule.

14 5. In the case of a rule adopted without prior notice and an
15 opportunity for public participation in reliance upon section
16 17A.4, subsection 3, the summary must be published within
17 seventy days of the a request made pursuant to subsection 1,
18 paragraph "a".

19 6. The published summary of the regulatory analysis
20 issued pursuant to subsection 1, paragraph "a", must also
21 indicate where persons may obtain copies of the full text
22 of the regulatory analysis and where, when, and how persons
23 may present their views on the proposed rule and demand
24 an oral proceeding thereon if one is not already provided.
25 Agencies shall make available to the public, to the maximum
26 extent feasible, the published summary and the full text of
27 the regulatory analysis described in this subsection in an
28 electronic format, including, but not limited to, access to the
29 documents through the internet.

30 7. If the agency has made a good faith effort to comply
31 with the requirements of subsections 1 through 3, the rule
32 may not be invalidated on the ground that the contents of the
33 regulatory analysis are insufficient or inaccurate.

34 8. a. For the purpose of this section, "*small business*"
35 means any entity including but not limited to an individual,

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1 partnership, corporation, joint venture, association, or
2 cooperative, to which all of the following apply:

3 (1) It is not an affiliate or subsidiary of an entity
4 dominant in its field of operation.

5 (2) It has either twenty or fewer full-time equivalent
6 positions or less than one million dollars in annual gross
7 revenues in the preceding fiscal year.

8 *b.* For purposes of this definition, "*dominant in its field*
9 *of operation*" means having more than twenty full-time equivalent
10 positions and more than one million dollars in annual gross
11 revenues, and "*affiliate or subsidiary of an entity dominant in*
12 *its field of operation*" means an entity which is at least twenty
13 percent owned by an entity dominant in its field of operation,
14 or by partners, officers, directors, majority stockholders,
15 or their equivalent, of an entity dominant in that field of
16 operation.

17 9. By July 1, 2013, and every five years thereafter, each
18 agency shall review all existing rules under its purview to
19 determine whether such rules should be continued without
20 change, or should be amended or rescinded, consistent with
21 the stated objectives of the applicable statutes, to minimize
22 the economic impact of the rules on small businesses in a
23 manner consistent with the stated objectives of the applicable
24 statutes. If the agency determines that completion of the
25 review of existing rules is not feasible by July 1, 2013,
26 the agency shall publish notice of that finding in the Iowa
27 administrative bulletin. The agency may then extend the
28 completion date by one year at a time for a total of not more
29 than five years. In reviewing rules to minimize the economic
30 impact of the rules on small businesses, the agency shall
31 consider all of the following factors:

32 a. The continued need for the rule.

33 b. The nature of complaints or comments received from the
34 public concerning the rule.

35 c. The complexity of the rule.

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1 d. The extent to which the rule overlaps, duplicates, or
2 conflicts with other federal, state, or local governmental
3 statutes, ordinances, or rules.

4 e. The length of time since the rule has been evaluated or
5 the degree to which technology, economic conditions, or other
6 factors have changed in the area affected by the rule.

7 Sec. 5. NEW SECTION. 17A.4B **Negotiated rulemaking.**

8 1. An agency shall create a negotiated rulemaking group to
9 view draft rule proposals if required by statute. An agency
10 may, on its own motion or upon request, create a negotiated
11 rulemaking group if the agency determines that a negotiated
12 rulemaking group can adequately represent the interests
13 that will be significantly affected by a draft rule proposal
14 and that it is feasible and appropriate in the particular
15 rulemaking. Notice of the creation of a negotiated rulemaking
16 group shall be published in the Iowa administrative bulletin.
17 Upon establishing a negotiated rulemaking group, the agency
18 shall also specify a time frame for group deliberations.

19 2. Unless otherwise provided by statute, the agency shall
20 appoint a sufficient number of members to the group so that
21 a fair cross section of opinions and interests regarding the
22 draft rule proposal is represented. One person shall be
23 appointed to represent the agency. The group shall select its
24 own chairperson and adopt its rules of procedure. All meetings
25 of the group shall be open to the public. A majority of the
26 membership constitutes a quorum. Members shall not receive
27 any per diem payment but shall be reimbursed for all necessary
28 expenses. Any vacancy shall be filled in the same manner as
29 the initial appointment.

30 3. Prior to the publication of a notice of intended action,
31 the group shall consider the terms or substance of the rule
32 drafted by the agency and shall attempt to reach a consensus
33 concerning the draft rule proposal.

34 4. If a group reaches a consensus on a draft rule proposal,
35 the group shall transmit to the agency a report containing the

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1 consensus on the draft rule proposal. If the group does not
2 reach a consensus on a draft rule proposal within the specified
3 time frame, the group shall transmit to the agency a report
4 stating that inability to reach a consensus and specifying any
5 areas in which the group reached a consensus. The group may
6 include in a report any other information, recommendations,
7 or materials that the group considers appropriate. Any group
8 member may include as an addendum to the report additional
9 information, recommendations, or materials. A report issued
10 under this subsection shall not be considered final agency
11 action for purposes of judicial review.

12 5. Unless otherwise provided by statute, following a
13 negotiated rulemaking group consideration of a draft rule
14 proposal, the agency may commence rulemaking as provided in
15 section 17A.4. The group is automatically abolished upon the
16 agency's adoption of the rule pursuant to the provisions of
17 section 17A.5.

18 Sec. 6. NEW SECTION. 17A.6A Searchable rules database.

19 1. Each agency shall make available to the public a
20 searchable rules database, published on an internet site
21 detailing all of the rules promulgated by the department.

22 2. By January 1, 2014, each agency shall develop and make
23 publicly available a database internet site for searching and
24 accessing the rules promulgated by the agency.

25 3. The searchable internet site developed pursuant to this
26 section shall allow the public at no cost to search and compile
27 the information provided pursuant to this subsection. Each
28 agency shall provide the following:

29 a. The rules promulgated by the agency.

30 b. Date of last review of all of its rules under section
31 17A.7.

32 c. Any regulatory analysis issued under section 17A.4A.

33 d. Minutes of any public hearing conducted pursuant to
34 section 17A.4.

35 e. Any other relevant information specified by the agency.

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1 4. Effective July 1, 2014, the internet site shall be
2 updated regularly as new data and information become available,
3 but all data and information shall be updated no less
4 frequently than annually within thirty days following the close
5 of the state fiscal year.

6 5. The agency is not in compliance with this section if
7 the data required for the internet site is not available in
8 a searchable manner or if the public is redirected to other
9 government internet sites unless each of those sites displays
10 information from all agencies and each category of information
11 required can be searched electronically by field in a single
12 search.

13 Sec. 7. Section 17A.7, Code 2011, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 3. Over a five-year period of time, an
16 agency shall conduct an ongoing and comprehensive review of
17 all of the agency's rules. The goal of the review is the
18 identification and elimination of all rules of the agency that
19 are outdated, redundant, overbroad, ineffective, unnecessary,
20 or otherwise undesirable. An agency shall commence its review
21 by developing a plan of review in consultation with major
22 stakeholders and constituent groups. As part of its review, an
23 agency shall review existing policy and interpretive statements
24 or similar documents to determine whether it would be necessary
25 or appropriate to adopt these statements or documents as rules.

26 a. An agency shall establish its five-year plan for review
27 of its rules and publish the plan in the Iowa administrative
28 bulletin.

29 b. An agency's plan for review shall do all of the
30 following:

31 (1) Contain a schedule that lists when the review of each
32 rule or rule group will occur.

33 (2) State the method by which the agency will determine
34 whether the rule under review meets the criteria listed in this
35 subsection.

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1 (3) Provide a means for public participation in the review
2 process and specify how interested persons may participate in
3 the review.

4 (4) Identify instances where the agency may require an
5 exception to the review requirements.

6 (5) Provide a process for ongoing review of rules after the
7 initial five-year review period has expired.

8 c. An agency shall consider all of the following criteria
9 when reviewing its rules:

10 (1) The need for the rule.

11 (2) The clarity of the rule.

12 (3) The intent and legal authority for the rule.

13 (4) The qualitative and quantitative benefits and costs of
14 the rule.

15 (5) The fairness of the rule.

16 d. When an agency completes its five-year review of its
17 rules, the agency shall provide a summary of the results to the
18 administrative rules coordinator and the administrative rules
19 review committee.

20 Sec. 8. Section 17A.23, Code 2011, is amended to read as
21 follows:

22 **17A.23 Construction — delegation of authority.**

23 1. Except as expressly provided otherwise by this chapter
24 or by another statute referring to this chapter by name, the
25 rights created and the requirements imposed by this chapter
26 shall be in addition to those created or imposed by every other
27 statute in existence on July 1, 1975, or enacted after that
28 date. If any other statute in existence on July 1, 1975, or
29 enacted after that date diminishes a right conferred upon a
30 person by this chapter or diminishes a requirement imposed upon
31 an agency by this chapter, this chapter shall take precedence
32 unless the other statute expressly provides that it shall take
33 precedence over all or some specified portion of this ~~named~~
34 cited chapter.

35 2. This chapter shall be construed broadly to effectuate

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1 its purposes. This chapter shall also be construed to apply
2 to all agencies not expressly exempted by this chapter or by
3 another statute specifically referring to this chapter by
4 name; and except as to proceedings in process on July 1, 1975,
5 this chapter shall be construed to apply to all covered agency
6 proceedings and all agency action not expressly exempted by
7 this chapter or by another statute specifically referring to
8 this chapter by ~~name~~ citation.

9 3. An agency shall have only that authority or discretion
10 delegated to or conferred upon the agency by law and shall not
11 expand or enlarge its authority or discretion beyond the powers
12 delegated to or conferred upon the agency. Unless otherwise
13 specifically provided in statute, any grant of rulemaking
14 authority shall be construed narrowly.

15 Sec. 9. NEW SECTION. **17A.24 Implementation of federal**
16 **statute, regulation, or policy.**

17 1. Except as otherwise explicitly authorized by state law, a
18 state administrative agency charged with the implementation of
19 a federal statute, regulation, or policy shall not exceed the
20 specific requirements of that statute, regulation, or policy.

21 2. Any portion of a state administrative agency rule or
22 policy that is in violation of subsection 1 is void.

23 3. For purposes of judicial review, an individual or
24 business shall be deemed to be aggrieved or adversely affected
25 by an agency determination that the state rule does not exceed
26 the federal statute, regulation, or policy.

27 Sec. 10. Section 68B.2, subsection 13, paragraph b,
28 subparagraph (8), Code 2011, is amended to read as follows:

29 (8) Persons whose activities are limited to submitting
30 data, views, or arguments in writing, including in an
31 electronic format, or requesting an opportunity to make an oral
32 presentation under section 17A.4, subsection 1.

33 Sec. 11. ENVIRONMENTAL PROTECTION AGENCY AND DEPARTMENT OF
34 NATURAL RESOURCES STUDY. A commission of twelve members is
35 created to comprehensively review all proposed and existing

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1 rules in order to assess the effects of current and proposed
2 environmental protection agency and department of natural
3 resources rules on Iowa cities over a ten-year period.
4 1. Commission membership. The commission shall consist of
5 the following members:
6 a. The director of the department of natural resources or
7 designee.
8 b. Three environmental group representatives, to be
9 appointed by the governor and to serve at the pleasure of the
10 governor.
11 c. Two city representatives, to be appointed by the governor
12 and to serve at the pleasure of the governor.
13 d. Two county representatives, to be appointed by the
14 governor and to serve at the pleasure of the governor.
15 e. Four members of the general assembly serving as
16 ex officio, nonvoting members, one representative to be
17 appointed by the speaker of the house of representatives, one
18 representative to be appointed by the minority leader of the
19 house of representatives, one senator to be appointed by the
20 majority leader of the senate after consultation with the
21 president of the senate, and one senator to be appointed by the
22 minority leader of the senate.
23 2. Organization and operation.
24 a. The commission shall select its own chairperson and
25 establish its rules of procedure.
26 b. By December 1, 2012, the commission shall hold at least
27 three public hearings throughout Iowa to listen to the concerns
28 of Iowa citizens.
29 c. The commission may also meet as deemed necessary by the
30 chairperson.
31 d. A majority of the members of the commission shall
32 constitute a quorum.
33 e. Members shall serve without compensation, but may be
34 reimbursed for actual expenses.
35 f. The economic development authority shall provide staff

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1 support for the commission.

2 3. Report. The commission shall submit recommendations
3 to the general assembly, the office of lean enterprise, and
4 the governor on or before January 15, 2013, identifying rules,
5 policies, or procedures for which the negative effects on
6 Iowa's cities outweigh the intended benefits, and identifying
7 rules, policies, or procedures for which the benefits on Iowa's
8 cities outweigh the negative effects.

9 4. Termination. The commission shall terminate upon
10 submission of its report to the general assembly.

11 EXPLANATION

12 This bill relates to the administrative rulemaking process
13 utilized by state agencies.

14 The bill amends Code section 17A.1 to provide that it is the
15 intention of the law to apply a consistent, full-time effort
16 toward making a rulemaking climate "which is more hospitable,
17 obtains more input from the citizens of Iowa and is more
18 transparent".

19 The bill amends Code section 17A.4 to require administrative
20 agencies, when feasible, to hold rulemaking hearings in
21 varied locations throughout the state and to allow citizens to
22 participate in administrative rules hearings remotely through
23 electronic means.

24 The bill requires that every adopted rule must be
25 accompanied by a concise statement of the principal reasons
26 for and against the rule adopted. Under current law such a
27 statement is only provided on request.

28 The bill also provides that so-called "emergency" rules,
29 adopted without notice and public participation, are in effect
30 for only 180 days.

31 The bill amends Code section 17A.4A to revise the procedure
32 for requesting a regulatory analysis for proposed rules.
33 This analysis required under current law is essentially a
34 cost-benefit study identifying the impact of a rule on the
35 affected public and, in the case of a rule that would have a

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1 substantial impact on small business, the regulatory analysis
2 must contain a discussion of whether it would be feasible and
3 practicable to reduce the impact of the rule on small business.

4 The bill requires an analysis on every new rule which has an
5 adverse impact on small business and requires the analysis to
6 be published in the Iowa administrative bulletin along with the
7 new rule. If an agency determines that it would not be legal
8 and feasible to reduce the adverse impact on small business, a
9 small business would have judicial standing to challenge that
10 determination in district court. The bill also requires a
11 periodic review of all rules to minimize the economic impact
12 of the rules on small businesses. The initial review must be
13 completed by July 1, 2013, and will be repeated every five
14 years.

15 The bill creates new Code section 17A.4B to provide that if
16 required by statute, an agency shall create an ad hoc group to
17 review draft rule proposals prior to commencing a rulemaking
18 proceeding. Where a statute does not require this review, the
19 bill allows an agency to create such a review group. Members
20 are appointed by the agency and the composition must adequately
21 represent a fair balance of the interests affected by the rule.
22 Once such a group is created, the agency may only commence
23 rulemaking after the group has considered the draft rule
24 proposal in question. The bill is based on similar provisions
25 found in the federal Administrative Procedures Act.

26 The bill creates new Code section 17A.6A to require that each
27 agency make available a searchable database and internet site
28 detailing all of the rules promulgated by the agency.

29 The bill amends Code section 17A.7 to require that each
30 agency review all of its administrative rules on a five-year
31 cycle.

32 The bill amends Code section 17A.23 to establish a new rule
33 of statutory construction: Unless otherwise specifically
34 provided in statute, any grant of rulemaking authority shall
35 be construed narrowly.

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1 The bill creates Code section 17A.24 which provides that
2 state implementation of a federal statute, regulation, or
3 policy by a state administrative agency shall not exceed the
4 specific requirements of the federal statute, regulation,
5 or policy, except as specifically allowed by state law.
6 Any portion of a state rule or policy in violation of this
7 requirement is void.

8 The bill creates a commission to comprehensively review
9 and assess the effects of current and proposed environmental
10 protection and department of natural resources rules on
11 Iowa cities over a 10-year period. The bill defines the
12 commission's membership, mandates at least three public
13 hearings throughout Iowa, and establishes basic rules for the
14 commission. The commission terminates upon submission of its
15 report in January of 2013.



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Senate File 2206 - Introduced

SENATE FILE 2206
BY CHELGREN

A BILL FOR

1 An Act providing an exemption from the computation of net
2 income for the individual state income tax of all social
3 security benefits and including retroactive applicability
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5884XS (2) 84
mm/sc



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S.F. 2206

1 Section 1. Section 422.7, subsection 13, Code Supplement
2 2011, is amended by striking the subsection and inserting in
3 lieu thereof the following:

4 13. Subtract, to the extent included, the amount of social
5 security benefits taxable under section 86 of the Internal
6 Revenue Code.

7 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
8 retroactively to January 1, 2012, for tax years beginning on
9 or after that date.

10 EXPLANATION

11 This bill relates to the state taxation of social security
12 benefits. Under current law, 23 percent of a taxpayer's social
13 security benefits are taxable in this state for tax year 2012.
14 The taxable amount is set to be reduced to 11 percent in 2013
15 and then completely phased out in 2014.

16 The bill provides that for tax years beginning on or after
17 January 1, 2012, 100 percent of a taxpayer's social security
18 benefits are exempt from the state individual income tax.

19 The bill applies retroactively to January 1, 2012, for tax
20 years beginning on or after that date.



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Senate File 2207 - Introduced

SENATE FILE 2207
BY WHITVER and KAPUCIAN

A BILL FOR

1 An Act concerning payment of health insurance premium costs
2 by members of the general assembly and statewide elected
3 officials.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5886XS (2) 84
ec/sc



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S.F. 2207

1 Section 1. Section 2.40, subsection 1, paragraph a,
2 subparagraph (2), Code 2011, is amended to read as follows:
3 (2) The member shall pay the premium for the plan selected
4 on the same basis as a full-time state employee excluded from
5 collective bargaining as provided in chapter 20. However, the
6 member shall pay a portion of the total premium for the plan
7 selected in an amount as determined by the legislative council.
8 The payment amount as determined by the legislative council
9 shall be at least two hundred dollars per month.

10 Sec. 2. STATEWIDE ELECTED EXECUTIVE OFFICIALS — GROUP
11 HEALTH INSURANCE PREMIUM COSTS. A statewide elected executive
12 official who becomes a member of a state group insurance plan
13 for employees of the state established under chapter 509A shall
14 pay a portion of the total premium for the plan selected in an
15 amount as determined by the executive council. The payment
16 amount as determined by the executive council shall be at least
17 two hundred dollars per month.

18 EXPLANATION

19 This bill provides that members of the general assembly
20 and statewide elected executive officials who become a member
21 of the state group insurance plan for employees of the state
22 established under Code chapter 509A shall pay at least \$200
23 per month of the total premium for the plan selected. The
24 bill provides that, subject to the \$200 per month minimum,
25 the total premium amount to be paid by members of the general
26 assembly shall be determined by the legislative council and the
27 total premium amount to be paid by statewide elected executive
28 officials shall be determined by the executive council.



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Senate File 2208 - Introduced

SENATE FILE 2208
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3026)

A BILL FOR

1 An Act relating to the confidentiality of an arrest warrant.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5322SV (2) 84
jm/rj



Iowa General Assembly
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S.F. 2208

1 Section 1. Section 804.29, Code 2011, is amended to read as
2 follows:

3 **804.29 Confidentiality.**

4 1. All information filed with the court for the purpose of
5 securing a warrant for an arrest, including but not limited to
6 a citation and affidavits, shall be a confidential record until
7 such time as a peace officer has made the arrest and has made
8 the officer's return on the warrant, or the defendant has made
9 an initial appearance in court. During the period of time that
10 information is confidential, ~~it~~ the record shall be sealed by
11 the court and the information contained therein in the record
12 shall not be disseminated to any person other than a peace
13 officer, employee of a county attorney's office, magistrate, or
14 another court employee, in the course of official duties.

15 2. However, during the period of confidentiality in
16 subsection 1, the information in the record may be disseminated
17 during the course of official duties to the following persons:

18 a. A peace officer.

19 b. An employee of the county attorney's office.

20 c. A judicial officer or other court employees.

21 d. An employee of the department of corrections or judicial
22 district department of correctional services, if authorized by
23 the director of the department of corrections.

24 EXPLANATION

25 This bill relates to the confidentiality of an arrest
26 warrant.

27 The bill specifies that information relating to an arrest
28 warrant shall not be confidential if the defendant has made an
29 initial appearance in court even if the arresting peace officer
30 has not returned the warrant.

31 The bill authorizes an employee of the department of
32 corrections or judicial district department of correctional
33 services, if authorized by the director of the department of
34 corrections, to receive confidential information filed with
35 the court relating to an arrest warrant during the course of

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1 official duties of the employee.

2 Current law authorizes a peace officer, an employee of
3 the county attorney's office, a judicial officer, or court
4 employees to receive confidential information relating to an
5 arrest warrant during the course of official duties.



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Senate File 2209 - Introduced

SENATE FILE 2209
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3075)

A BILL FOR

1 An Act prohibiting certain credits for time served while on
2 probation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5232SV (2) 84
jm/rj



Iowa General Assembly
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S.F. 2209

1 Section 1. Section 907.3, subsection 3, unnumbered
2 paragraph 1, Code Supplement 2011, is amended to read as
3 follows:
4 By record entry at the time of or after sentencing, the court
5 may suspend the sentence and place the defendant on probation
6 upon such terms and conditions as it may require including
7 commitment to an alternate jail facility or a community
8 correctional residential treatment facility to be followed
9 by a period of probation as specified in section 907.7, or
10 commitment of the defendant to the judicial district department
11 of correctional services for supervision or services under
12 section 901B.1 at the level of sanctions which the district
13 department determines to be appropriate and the payment of
14 fees imposed under section 905.14. A person so committed who
15 has probation revoked shall not be given credit for such time
16 served. However, the a person committed to an alternate jail
17 facility or a community correctional residential treatment
18 facility who has probation revoked shall be given credit for
19 time served in the facility. The court shall not suspend any
20 of the following sentences:

21 EXPLANATION

22 This bill relates to receiving credit for time served while
23 on probation.

24 The bill specifies that a person who receives a suspended
25 sentence and is placed on probation and who has probation
26 subsequently revoked shall not be given credit for time
27 served while on probation unless the person has been committed
28 to an alternate jail facility or a community correctional
29 residential treatment facility. A person who serves time in a
30 jail receives credit for time served pursuant to Code section
31 903A.5.

32 The bill is in response to Anderson v. State, 801 N.W.2d 1
33 (Iowa 2011), in which the Iowa supreme court ruled Iowa law
34 requires a person, who is on probation and subsequently sent to
35 prison, to receive credit for the time served at an alternate

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1 jail facility, a community correctional residential treatment
2 facility, or a judicial district department of correctional
3 services for supervision or services.
4 Credit for time served ultimately reduces the period of time
5 a person serves in confinement in a jail or prison. Credit for
6 time served is not earned time under Code section 903A.2.



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Senate File 2210 - Introduced

SENATE FILE 2210
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3101)

A BILL FOR

1 An Act concerning applications for liquor control licenses and
2 micro-distilled spirits, beer, and wine permits.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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ec/nh



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S.F. 2210

1 Section 1. Section 123.32, Code Supplement 2011, is amended
2 by adding the following new subsections:

3 NEW SUBSECTION. 1A. *Misrepresentation of material fact on*
4 *application.* A person who makes a false statement of material
5 fact on an application for a liquor license, micro-distilled
6 spirits permit, wine permit, or beer permit, or who has been a
7 party to the preparation or submission of any false application
8 for such a license or permit, may be denied the license or
9 permit on the grounds of the false statement or submission.

10 NEW SUBSECTION. 1B. *Criminal history record checks.*

11 *a.* The division may request and obtain criminal history
12 data from the department of public safety for an applicant for
13 a liquor license, micro-distilled spirits permit, wine permit,
14 or beer permit under this chapter and any other person required
15 to be listed on the application pursuant to section 123.31,
16 subsection 3 for the purpose of evaluating an applicant's
17 fitness to hold such license or permit.

18 *b.* The division may also require that a full set of
19 fingerprints be provided by an applicant for a liquor license,
20 micro-distilled spirits permit, wine permit, or beer permit
21 issued pursuant to this chapter and by any other person
22 required to be listed on the application pursuant to section
23 123.31, subsection 3 for purposes of conducting a national
24 criminal history check. The division shall provide the
25 fingerprints to the department of public safety for submission
26 through the state criminal history repository to the federal
27 bureau of investigation for the national criminal history
28 check.

29 *c.* Persons subject to a criminal history check conducted
30 pursuant to this subsection shall authorize release of
31 the results of the criminal history check to the division.
32 Failure of the applicant or any other person subject to the
33 requirements of this subsection to fully cooperate in the
34 conduct of a criminal history check shall be grounds to deny
35 the license or permit application.

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1 *d.* Criminal history data obtained by the division pursuant
2 to this subsection is confidential and shall not be considered
3 a public record under chapter 22. The division may, however,
4 use such information in a license or permit denial proceeding
5 or other regulatory proceeding brought under this chapter.

6 *e.* The division shall pay the actual cost of all
7 fingerprinting and criminal history checks conducted pursuant
8 to this subsection, if any.

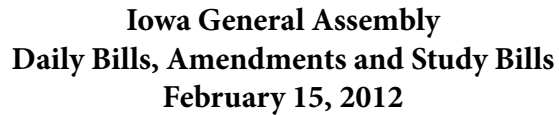
9 Sec. 2. Section 123.32, subsections 2, 7, and 9, Code
10 Supplement 2011, are amended to read as follows:

11 2. *Action by local authorities.* The local authority shall
12 either approve or disapprove the issuance of a liquor control
13 license, micro-distilled spirits permit, retail wine permit, or
14 retail beer permit, shall endorse its approval or disapproval
15 on the application and shall forward the application with
16 the necessary fee and bond, if required, to the division.
17 There is no limit upon the number of liquor control licenses,
18 micro-distilled spirits permits, retail wine permits, or retail
19 beer permits which may be approved for issuance by local
20 authorities.

21 7. *Appeal to administrator.* An applicant for a liquor
22 control license, micro-distilled spirits permit, wine
23 permit, or beer permit may appeal from the local authority's
24 disapproval of an application for a license or permit to the
25 administrator. In the appeal the applicant shall be allowed
26 the opportunity to demonstrate in an evidentiary hearing
27 conducted pursuant to chapter 17A that the applicant complies
28 with all of the requirements for holding the license or permit.
29 The administrator may appoint a member of the division or may
30 request an administrative law judge from the department of
31 inspections and appeals to conduct the evidentiary hearing
32 and to render a proposed decision to approve or disapprove
33 the issuance of the license or permit. The administrator may
34 affirm, reverse, or modify the proposed decision. If the
35 administrator determines that the applicant complies with

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1 all of the requirements for holding a license or permit, the
2 administrator shall order the issuance of the license or
3 permit. If the administrator determines that the applicant
4 does not comply with the requirements for holding a license or
5 permit, the administrator shall disapprove the issuance of the
6 license or permit.

26 EXPLANATION

30 New Code section 123.32(1A) provides that a person who makes
31 a false statement of material fact on an application for a
32 license or permit may be denied the license or permit on the
33 grounds of the false statement.

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1 background checks of applicants for licenses and permits and
2 any other person required to be listed on the application for
3 that license or permit. The bill authorizes the division
4 to obtain criminal history data from the department of
5 public safety and to require applicants to provide a set of
6 fingerprints for purposes of conducting a national criminal
7 history check. The bill provides that criminal history data
8 obtained pursuant to this new provision is confidential but
9 may be used in a license or permit denial or other regulatory
10 proceeding brought by the division. The bill further provides
11 that the alcoholic beverages division shall pay the actual cost
12 of all fingerprinting and criminal history checks conducted.
13 Code section 123.32 is also amended to provide that the
14 requirements and procedures for applications for liquor
15 control licenses and wine and beer permits also apply to
16 micro-distilled spirits permits.



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Senate Resolution 106 - Introduced

SENATE RESOLUTION NO. 106

BY HATCH, HOGG, MATHIS, DVORSKY, HORN, DEARDEN,
FRAISE, GRONSTAL, KIBBIE, BLACK, McCOY, BEALL,
WILHELM, QUIRMBACH, RAGAN, BOWMAN, SENG,
SCHOENJAHN, BOLKCOM, DOTZLER, DANIELSON, RIELLY,
and JOCHUM

1 A Resolution honoring Art Pennington, an American
2 baseball great.

3 WHEREAS, only rarely does the Senate have the
4 opportunity to celebrate the life and work of an
5 American who still lives among us, a man, not just a
6 memory; and

7 WHEREAS, Arthur D. Pennington now lives quietly
8 in Cedar Rapids, Iowa, but 70 years ago, long before
9 Jackie Robinson broke the color barrier, Mr. Pennington
10 was known as "Superman" and was a star of the Negro
11 baseball leagues; and

12 WHEREAS, as a black man, Mr. Pennington was denied
13 an opportunity to play major league baseball, but
14 for almost 20 years, Mr. Pennington played the game
15 throughout the Americas, including Havana, Cuba, and
16 Caracas, Venezuela; and

17 WHEREAS, at 17, Mr. Pennington traveled to Chicago,
18 joining the Chicago American Giants of the Negro
19 league; and

20 WHEREAS, the "Superman" was one of the Negro
21 league's brightest stars and played in the prestigious
22 Negro League East/West All-Star Game in 1942, 1946, and
23 1950; and

24 WHEREAS, Mr. Pennington was an All-Star during the



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1 golden era of the Negro leagues and maintained an
2 eight-year batting average of .336, emerging as a Negro
3 league star in 1945, batting .359 and .500 as the first
4 baseman for the Giants; and

5 WHEREAS, over the following decades, Mr. Pennington
6 played with some of the greatest baseball players of
7 all time including Jackie Robinson, Satchel Paige,
8 Josh Gibson, Hank Aaron, Buck O'Neil, James Thomas
9 "Cool Papa" Bell, Willie Mays, Roy Campanella, and many
10 others; and

11 WHEREAS, it was during this period of time, his
12 prime years, that much of his statistical data was
13 lost because of limited record keeping for the Negro
14 leagues; and

15 WHEREAS, in 1949, Mr. Pennington returned to the
16 United States with his wife Anita, a Caucasian woman of
17 Spanish origin, at a time when in some states it was
18 still illegal for African Americans and Caucasians to
19 marry; the implications of their interracial marriage
20 had unforeseen repercussions on his baseball career and
21 quite possibly prevented him from playing Major League
22 baseball; and

23 WHEREAS, in 1959, Mr. Pennington retired from the
24 game he loved so much and made a home and a new life in
25 Cedar Rapids, where he worked at Collins Radio for many
26 years, played on the company baseball team, and ran for
27 several political offices including sheriff, mayor, and
28 safety commissioner; and

29 WHEREAS, featured in the books *Baseball's Forgotten*
30 *Heroes* and *The Complete Book of Baseball's Negro*

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1 *Leagues* and in the Negro Leagues Baseball Museum, Art
2 Pennington was a great American baseball player; and
3 WHEREAS, to this day Mr. Pennington is a living
4 reminder of the challenges that African Americans faced
5 in our country based not on their skill but on the
6 color of their skin, and while some African Americans
7 succeeded in their pursuits during this shameful period
8 in our country's history, others still had to endure
9 discrimination and prejudice and were prevented from
10 fulfilling their goals; for Mr. Pennington that goal
11 was playing in the major leagues; NOW THEREFORE,
12 BE IT RESOLVED BY THE SENATE, That the Senate honors
13 the "Superman", Arthur D. Pennington, one of America's
14 finest baseball players and a civil rights pioneer
15 whose life and contributions have for too long been
16 overlooked, and
17 BE IT FURTHER RESOLVED, That because of the racial
18 divides of the 1940s and 1950s, Mr. Pennington never
19 received the recognition he deserved, therefore the
20 Senate urges that he be considered for admission to the
21 Baseball Hall of Fame in Cooperstown, New York.

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Senate Study Bill 3161 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act relating to approval, notification, and reporting of
2 political activities by certain corporations and other
3 entities and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 SUBCHAPTER VIII
2 Section 1. NEW SECTION. 68A.801 Short title — declaration
3 of policy.
4 1. This subchapter shall be known and may be cited as the
5 "*Corporate Political Accountability Act*".
6 2. The general assembly finds and declares as follows:
7 a. Although corporations cannot vote, corporations make
8 significant political contributions and expenditures that
9 directly or indirectly influence the election of candidates and
10 support or oppose political causes at the federal, state, and
11 local levels. Decisions to use corporate treasury funds for
12 political contributions and expenditures are currently made by
13 corporate boards and executives, often without the knowledge or
14 consent of shareholders.
15 b. Corporations acting through their boards and executives
16 have a fiduciary duty to conduct business in the best interests
17 of the shareholders. Corporate boards and executives that use
18 corporate funds to support and oppose political candidates,
19 political parties, and political causes in opposition to the
20 interests of many or all of their shareholders may not be
21 acting in the best interests of the shareholders.
22 c. Historically, shareholders of corporations in the United
23 States have not had a way to know of, or to influence, the
24 political activities of corporations they own. Shareholders
25 and the public have a right to know how these corporations
26 are spending their funds to make political contributions or
27 expenditures benefiting candidates, political parties, and
28 political causes.
29 d. Corporations should be accountable to their shareholders
30 prior to making political contributions or expenditures
31 affecting federal, state, and local governance and public
32 policy. Requiring the express approval of a corporation's
33 shareholders prior to making political contributions or
34 expenditures and requiring reporting to shareholders of such
35 expenditures will help establish accountability.

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1 Sec. 2. NEW SECTION. **68A.802 Definitions.**

2 For purposes of this subchapter unless the context otherwise
3 requires:

4 1. "*Contribution*" or "*expenditure*" includes any
5 contributions and expenditures not deductible under section
6 162(e)(1)(B) of the Internal Revenue Code including but not
7 limited to contributions to or expenditures on behalf of
8 political candidates, political parties, political committees,
9 and other political entities organized and operating under
10 section 527 of the Internal Revenue Code, and any portion of
11 any dues or similar payments made to any organization exempt
12 from taxation under section 501(a) of the Internal Revenue
13 Code that is used for an expenditure or contribution and if
14 made directly by the corporation would not be deductible
15 under section 162(e)(1)(B) of the Internal Revenue Code, any
16 contribution or expenditure, as those terms are defined in
17 section 302 of the Federal Election Campaign Act of 1971, as
18 codified at 2 U.S.C. § 431, as well as any contribution defined
19 in section 68A.102. The term also includes any direct or
20 indirect payment, distribution, loan, advance, deposit or gift
21 of money, or any services, or anything of value, except a loan
22 of money by a national or state bank made in accordance with
23 the applicable banking laws and regulations and in the ordinary
24 course of business, to any candidate, campaign committee,
25 or political party or organization in connection with any
26 election to any office. "*Contribution*" or "*expenditure*" does
27 not include:

28 a. Communications by a corporation to its shareholders and
29 executive or administrative personnel and their families or by
30 a labor organization to its members and their families on any
31 subject.

32 b. Nonpartisan registration and get-out-the-vote campaigns
33 by a corporation aimed at its shareholders and executive or
34 administrative personnel and their families or by a labor
35 organization aimed at its members and their families.

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1 *c.* The establishment and administration of a separate
2 segregated fund and the solicitation of contributions to such
3 separate segregated fund to be utilized for political purposes
4 by a corporation, labor organization, membership organization,
5 cooperative, or corporation without capital stock.

6 2. "*Corporation*" means any corporation formed under the
7 laws of this state or a foreign corporation if section 68A.808
8 applies.

9 3. "*General treasury funds*" means funds in possession of a
10 corporation in the normal course of business, including funds
11 from sales, accounts payable, loans, investments, bonds or debt
12 instruments.

13 4. "*Internal Revenue Code*" means the same as defined in
14 section 422.3.

15 5. "*Issue advocacy campaign*" means contributions or
16 expenditures for any communication to the general public
17 intended to encourage the public to contact a government
18 official regarding pending legislation, public policy, or a
19 government rule or regulation. The term does not include
20 contributions or expenditures for registered lobbyists or other
21 persons employed by the corporation to lobby directly federal
22 or state government officials.

23 6. "*Known at the time of the authorization vote*" means at
24 the time the corporation seeks authorization from shareholders
25 to spend corporate funds for political activities, all of the
26 following have occurred:

27 *a.* The corporation's officers, directors, or employees have
28 identified a specific political activity for the corporation to
29 support or oppose.

30 *b.* Corporate officers, directors, or employees have taken
31 steps to obligate funds to a political activity.

32 *c.* The corporation has a regularly scheduled payment to
33 a trade association or other entity to pay for a political
34 activity in the next twelve months.

35 7. "*Majority of shareholders*" means fifty percent plus one

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1 of all outstanding voting securities. Shareholders not casting
2 votes shall not count toward affirmative authorization under
3 this subchapter.

4 8. *"Political activities"* means any contributions or
5 expenditures made directly or indirectly to, or in support of
6 or opposition to, any candidate, political party, committee,
7 electioneering communication, ballot measure campaign, or an
8 issue advocacy campaign.

9 9. *"Separate segregated fund"* means a fund established
10 by a corporation for the purpose of soliciting contributions
11 to the fund for the purpose of funding political activities
12 by the corporation. A separate segregated fund that makes
13 expenditures in federal elections shall have the same meaning
14 and limitations as that found in 2 U.S.C. § 441b.

15 10. *"Shareholders"* means:

16 a. In the case of a foreign corporation described in section
17 68A.808, all shareholders of the corporation residing in the
18 state.

19 b. In the case of a corporation incorporated in this state,
20 all shareholders of the corporation.

21 Sec. 3. NEW SECTION. 68A.803 Corporate political activity
22 — notification to shareholders and public report required.

23 1. *Shareholder vote on corporate political activities.*

24 a. Annual vote.

25 (1) Any corporation that spends in the aggregate ten
26 thousand dollars or more of corporate treasury funds on
27 political activities must comply with the requirements of this
28 section.

29 (2) Any proxy or consent or authorization for an annual
30 meeting of the shareholders of a corporation, or a special
31 meeting in lieu of such meeting, where proxies are solicited
32 in respect of any security occurring on or after six months
33 following the date on which rules are made effective under
34 paragraph "e" shall provide for a separate resolution subject
35 to shareholder vote to approve any spending of ten thousand

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1 dollars or more by the corporation for any political activity.

2 (3) Notwithstanding the requirement for an annual
3 shareholder vote to authorize any spending of ten thousand
4 dollars or more by the corporation for any political
5 activity, a corporation may request authorization for spending
6 on political activities on a more frequent basis. Any
7 authorization request by the corporation that is not made
8 during an annual authorization shall be deemed a special
9 authorization and must be authorized by a majority of the
10 shareholders voting on the question of authorization.

11 (4) If a corporation spends less than an aggregate of
12 ten thousand dollars in a twelve-month period for political
13 activities, the corporation is not required to seek shareholder
14 authorization for such spending.

15 b. Shareholder approval.

16 (1) When seeking shareholder authorization for expenditures
17 for political activities, the corporation shall request
18 authorization to spend a maximum dollar amount in the twelve
19 months following authorization.

20 (2) If known at the time of the authorization vote, the
21 company shall articulate whether the corporate treasury funds
22 so authorized are intended to benefit or defeat specific
23 candidates, ballot measures, or issue advocacy campaigns or
24 whether it will be paid to specific nonprofit entities or trade
25 associations for political activities.

26 (3) To be effective, the authorization vote must garner
27 support from a majority of shareholders voting on the
28 authorization. A vote by the shareholders to approve or
29 disapprove any spending of ten thousand dollars or more by a
30 corporation for a political activity shall be binding on the
31 corporation.

32 (4) Notwithstanding the requirement for an annual
33 shareholder vote to authorize any spending of ten thousand
34 dollars or more by the corporation for any political activity,
35 a corporation may request a special authorization for

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1 additional spending on political activities, provided that
2 all spending on political activities of ten thousand dollars
3 or more must be authorized by a majority of the shareholders
4 voting, and for any special authorization, the corporation
5 shall articulate whether the corporate treasury funds so
6 authorized are intended to benefit or defeat candidates,
7 ballot measures, or issue advocacy campaigns or will be paid
8 to specific nonprofits or trade associations for political
9 activities at the time the special authorization is requested.

10 *c. Director liability.* If a corporation makes an
11 unauthorized contribution or expenditure for a political
12 activity, the directors at the time that the unauthorized
13 contribution or expenditure was incurred are jointly and
14 severally liable to repay to the corporation the amount of the
15 unauthorized contribution or expenditure, with interest at an
16 annual rate of eight per cent.

17 *d. Sole proprietorships excluded.* Notwithstanding any other
18 provision of this section, nothing in this section shall apply
19 a new duty to the owner of a sole proprietorship.

20 *e. Rules.* The board shall adopt rules to implement this
21 section.

22 *2. Notification to shareholders — report.*

23 *a.* At least quarterly during each fiscal year, a corporation
24 that makes contributions or expenditures for political
25 activities must notify its shareholders in writing of the
26 nature of all its political activities funded by either its
27 separate segregated fund or through its general corporate
28 treasury, including contributions or expenditures made directly
29 or indirectly.

30 *b.* A report made pursuant to this section shall accompany
31 the notification and shall include all of the following:

32 (1) The date of the contributions or expenditures.

33 (2) The amount of the contributions or expenditures.

34 (3) The identity of the candidate, political party,
35 committee, electioneering communication, ballot measure

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1 campaign, or issue advocacy campaign.

2 (4) If the contributions or expenditures were made
3 for or against a candidate, including an electioneering
4 communication as defined under federal law, the office sought
5 by the candidate, and the political party affiliation of the
6 candidate.

7 (5) If the contributions or expenditures were made for
8 or against a ballot measure, the purpose of the measure and
9 whether the contributions or expenditures were made in support
10 or opposition to the ballot measure.

11 (6) If the contributions or expenditures were made for or
12 against an issue advocacy campaign, the nature of the political
13 issue and whether the contributions were made in support or
14 opposition to the political issue.

15 (7) All expenditures made by a separate segregated fund
16 affiliated with the corporation.

17 3. *Public disclosure.*

18 a. The quarterly reports of political activities by a
19 corporation to its shareholders are public records open for
20 public inspection.

21 b. A copy of the reports filed shall be posted for at least
22 one year on the corporation's internet site, if any.

23 Sec. 4. NEW SECTION. 68A.804 Public disclosure of corporate
24 political activities by the board.

25 1. A corporation required to provide a notification and
26 report to its shareholders under section 68A.803 must provide a
27 copy of the notification and report to the board, subject to
28 the requirements and penalties provided in this chapter.

29 2. A notification and report required to be filed under this
30 section shall be filed in electronic format as prescribed by
31 the board.

32 3. a. The quarterly reports of political activities by
33 a corporation to its shareholders shall be made publicly
34 available by the board.

35 b. The board shall post the quarterly reports on the board's

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1 internet site in a format that permits the reports to be
2 searched, sorted, and downloaded.

3 Sec. 5. NEW SECTION. **68A.805 Reports by the board.**

4 1. Annually the board shall audit the extent of compliance
5 or noncompliance with the requirements of this subchapter by
6 corporations, their management, and shareholders, as well as
7 the effectiveness of the board in monitoring and enforcing
8 compliance with the reporting and disclosure requirements of
9 this subchapter.

10 2. Not later than June 30 of each year, the board shall
11 submit to the governor and the general assembly a report on the
12 review required by subsection 1 for the preceding year.

13 Sec. 6. NEW SECTION. **68A.806 Approval for corporate and
14 association political expenditures.**

15 Notwithstanding any provision of the law to the contrary, a
16 trade, business, or professional association or a corporation
17 that has received shareholder authorization under section
18 68A.803, subsection 1, may make any contribution or expenditure
19 only when specifically authorized to do so as follows:

20 1. By the vote of the board of directors of the corporation
21 or of the executive committee of the trade, business, or
22 professional association.

23 2. By the president, vice president, secretary, or
24 treasurer of a corporation if the board has specifically
25 empowered such officer to authorize such contributions or
26 expenditures.

27 3. For a corporation, by any other person designated by
28 resolution of the board of directors of a corporation to
29 authorize contributions or expenditures.

30 Sec. 7. NEW SECTION. **68A.807 Form of contribution or
31 expenditure.**

32 All contributions or expenditures, other than in-kind
33 contributions, by a corporation or a trade, business, or
34 professional association shall be made by check.

35 Sec. 8. NEW SECTION. **68A.808 Applicability to foreign**

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1 **corporations.**

2 1. A foreign corporation, other than a foreign association
3 or foreign nonprofit corporation, but including a foreign
4 parent corporation even though it does not itself transact
5 intrastate business, is subject to the requirements of this
6 subchapter if both of the following apply:

7 a. The foreign corporation derives more than one-half of its
8 income from real, tangible, or intangible property located or
9 having a situs in Iowa.

10 b. More than one-half of its outstanding voting securities
11 are held of record by persons having addresses in this state
12 appearing on the books of the corporation on the record date
13 for the latest meeting of shareholders held during its latest
14 full income tax year or, if no meeting was held during that
15 year, on the last day of the latest full income tax year.

16 2. This section does not apply to any corporation:

17 a. With outstanding securities listed on the New York stock
18 exchange or the American stock exchange.

19 b. With outstanding securities designated as qualified
20 for trading on the NASDAQ national market of the NASDAQ stock
21 market, or its successor.

22 c. If all of its voting shares, other than directors'
23 qualifying shares, are owned directly or indirectly by a
24 corporation or corporations not subject to this section.

25 **Sec. 9. NEW SECTION. 68A.809 Assessment of court costs and**
26 **attorney fees.**

27 Any party who obtains a decision by a court that the
28 corporation failed to provide to the party information
29 required to be provided by this subchapter or provided the
30 party information of the kind required to be provided by this
31 subchapter that is incorrect, the court, in its discretion,
32 shall have the power to include in its judgment recovery by the
33 party from the corporation of all court costs and reasonable
34 attorney fees incurred in that legal proceeding to the extent
35 they relate to obtaining that final determination.

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EXPLANATION

1
2 This bill requires a shareholder vote and majority approval
3 of shareholders on certain corporate political activities. The
4 requirement applies to a corporation incorporated under the
5 laws of Iowa, or certain foreign corporations, that plan to
6 spend \$10,000 or more of corporate general treasury funds or
7 funds from a segregated account on political activities.
8 If a corporation makes an unauthorized contribution or
9 expenditure, the directors are jointly and severally liable
10 to repay to the corporation the amount of the contribution or
11 expenditure and interest at the rate of 8 percent.
12 The bill requires a corporation to notify its shareholders
13 and the ethics and campaign disclosure board of all its
14 political activities at least quarterly during each fiscal
15 year. The report requires a variety of information, including
16 the date of the contributions or expenditures; the amount
17 of the contributions or expenditures; and the identity of
18 the candidate, political party, committee, electioneering
19 communication, ballot measure campaign, or issue advocacy
20 campaign. These reports are public information and must be
21 published by the board, and the corporation if applicable, on
22 its internet site.
23 The bill requires the board to annually audit the extent of
24 compliance or noncompliance with the requirements of the bill
25 by corporations, their management, and shareholders, as well
26 as the effectiveness of the board in monitoring and enforcing
27 compliance with the reporting and disclosure requirements.
28 The bill provides that a corporation authorized by its
29 shareholders or a trade, business, or professional association
30 may make a campaign contribution or expenditure only when
31 specifically authorized to do so by certain specified officials
32 of the corporation or association.
33 The bill requires that all contributions or expenditures by
34 a corporation or a trade, business, or professional association
35 be made by check, other than in-kind contributions.

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1 The bill imposes these same restrictions on some foreign
2 corporations if the foreign corporation derives more than
3 one-half of its income from real, tangible, or intangible
4 property located or having a situs in Iowa and more than
5 one-half of its outstanding voting securities are held of
6 record by persons having addresses in Iowa.

7 The bill provides that a party who obtains a decision by
8 a court that the corporation failed to provide to the party
9 information required to be provided by the bill may be awarded
10 court costs and reasonable attorney fees.

11 As provided in Code section 68A.701, a willful violation of
12 any provision of the campaign finance Code chapter is a serious
13 misdemeanor punishable by confinement for up to one year and
14 a fine of at least \$315 but not more than \$1,875. A variety
15 of civil remedies are also available in Code section 68B.32D
16 for a violation of Code chapter 68A or rules of the ethics and
17 campaign disclosure board, ranging from a reprimand to a civil
18 penalty of not more than \$2,000.



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Senate Study Bill 3162 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
NATURAL RESOURCES AND
ENVIRONMENT BILL BY
CHAIRPERSON DEARDEN)

A BILL FOR

1 An Act requiring the department of natural resources to conduct
2 pheasant studies, contingent on outside funding, and
3 including a repeal.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. _____

1 Section 1. NEW SECTION. **481A.6B Pheasant population studies**
2 **— reports.**

3 1. The department, in cooperation with private and public
4 partners, shall conduct a multiyear study to determine the
5 effectiveness of stocking wild or first-generation pheasants
6 in the state.

7 2. The department, in cooperation with private and public
8 partners, shall stock wild or first-generation pheasants
9 in an area with suitable pheasant habitat that has a very
10 low or no wild pheasant population. The rate at which the
11 pheasant population changes over time in the stocked area shall
12 be compared to the rate of change in another area where no
13 pheasants have been stocked. Both areas shall be located in
14 the southern half of the state. The results of the study shall
15 be published and made available to the public at the conclusion
16 of the study.

17 3. The department shall collect a sufficient amount of new
18 data as is necessary to confirm or revise population parameters
19 used by the department to predict pheasant population change.
20 A report discussing the data collected and the changes made to
21 the department's pheasant population prediction model, if any,
22 shall be submitted to the general assembly and made available
23 to the public by December 31, 2015.

24 4. The department, in cooperation with an institution under
25 the control of the state board of regents, shall also conduct a
26 study to determine the economic impact of pheasant hunting in
27 Iowa. The study shall focus on the impact to rural areas of the
28 state and to small communities. A report on the results of the
29 study shall be submitted to the general assembly by December
30 31, 2014.

31 5. The duties imposed in this section are contingent on
32 the receipt of outside funding by the department sufficient to
33 cover the costs associated with the studies required.

34 6. This section is repealed June 30, 2016.

35

EXPLANATION

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1 This bill requires the department of natural resources, in
2 cooperation with private and public partners, to conduct a
3 multiyear study to determine the effectiveness of stocking wild
4 or first-generation pheasants in the state.

5 The department, along with partners, must stock wild or
6 first-generation pheasants in an area with suitable pheasant
7 habitat that has a very low or no wild pheasant population.
8 The rate at which the pheasant population changes over time
9 in the stocked area is to be compared to the rate of change
10 in another area where no pheasants have been stocked. The
11 results of the study shall be published and made available to
12 the public.

13 The department is required to collect sufficient data to
14 confirm or revise population parameters used by the department
15 to predict pheasant population change. A report discussing
16 the data collected and the changes made to the department's
17 pheasant population prediction model, if any, is to be
18 submitted to the general assembly and made available to the
19 public by December 31, 2015.

20 The department, in cooperation with a regents institution,
21 is also required to conduct a study that determines the
22 economic impact of pheasant hunting in Iowa, focusing on the
23 impact to rural Iowa and to small communities. A report of the
24 results of the study shall be submitted to the general assembly
25 by December 31, 2014.

26 The duties imposed in the bill are contingent on the receipt
27 of outside funding by the department sufficient to cover
28 the costs associated with the studies required. The bill
29 provisions are repealed June 30, 2016.



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Senate Study Bill 3163 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act concerning persons voluntarily excluded from gambling
2 facilities and providing an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 99D.7, subsection 23, Code Supplement
2 2011, is amended to read as follows:

3 23. To require licensees to establish a process to allow
4 a person to be voluntarily excluded ~~for life~~ from a racetrack
5 enclosure and all other licensed facilities under this chapter
6 and chapter 99F as provided in this subsection. The process
7 shall provide that an initial request by a person to be
8 voluntarily excluded shall be for a period of five years and
9 a subsequent request following the five-year period shall be
10 for life. The process established shall also require that a
11 licensee disseminate information regarding persons voluntarily
12 excluded to all licensees under this chapter and chapter 99F.
13 The state and any licensee under this chapter or chapter 99F
14 shall not be liable to any person for any claim which may arise
15 from this process. In addition to any other penalty provided
16 by law, any money or thing of value that has been obtained by,
17 or is owed to, a voluntarily excluded person by a licensee as a
18 result of wagers made by the person after the person has been
19 voluntarily excluded shall not be paid to the person but shall
20 be credited to the general fund of the state and transferred to
21 the department of public health for purposes of the gambling
22 treatment program established in section 135.150.

23 Sec. 2. Section 99F.4, subsection 22, Code 2011, is amended
24 to read as follows:

25 22. To require licensees to establish a process to allow a
26 person to be voluntarily excluded ~~for life~~ from an excursion
27 gambling boat and all other licensed facilities under this
28 chapter and chapter 99D as provided in this subsection. The
29 process shall provide that an initial request by a person to be
30 voluntarily excluded shall be for a period of five years and
31 a subsequent request following the five-year period shall be
32 for life. The process established shall also require that a
33 licensee disseminate information regarding persons voluntarily
34 excluded to all licensees under this chapter and chapter 99D.
35 The state and any licensee under this chapter or chapter 99D

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1 shall not be liable to any person for any claim which may arise
2 from this process. In addition to any other penalty provided
3 by law, any money or thing of value that has been obtained by,
4 or is owed to, a voluntarily excluded person by a licensee as a
5 result of wagers made by the person after the person has been
6 voluntarily excluded shall not be paid to the person but shall
7 be credited to the general fund of the state and transferred to
8 the department of public health for purposes of the gambling
9 treatment program established in section 135.150.

10 EXPLANATION

11 This bill concerns the process by which a person can be
12 voluntarily excluded from a racetrack enclosure under Code
13 chapter 99D and from an excursion gambling boat and all other
14 licensed facilities under Code chapter 99F.

15 The bill provides that an initial request to be voluntarily
16 excluded shall be for a period of five years and a subsequent
17 request by that person after the five-year period shall be for
18 life. Under current law, a request to be voluntarily excluded
19 is for life.

20 The bill also provides that any moneys won by a person
21 voluntarily excluded that are forfeited and credited to the
22 general fund shall be transferred to the department of public
23 health for purposes of the gambling treatment program.



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Senate Study Bill 3164 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act authorizing licensees authorized to conduct gambling
2 games on an excursion boat, gambling structure, or racetrack
3 enclosure to operate internet wagering on poker and making
4 penalties applicable.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 99F.1, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. "*Adjusted gross receipts*" means the gross receipts less
4 winnings paid to wagerers. For internet wagering, "adjusted
5 gross receipts" means the gross receipts for internet wagering
6 on poker from rake and tournament fees less winnings and player
7 incentives paid to wagerers.

8 Sec. 2. Section 99F.1, Code 2011, is amended by adding the
9 following new subsections:

10 NEW SUBSECTION. 16A. "*Internet wagering*" means a method of
11 wagering by which a person may establish an account, deposit
12 money into the account, and use the account balance for
13 wagering by utilizing electronic communication.

14 NEW SUBSECTION. 19A. "*Player incentives*" means, for
15 internet wagering, any bonuses, rewards, prizes, or other types
16 of promotional items provided to a person engaging in internet
17 wagering by an internet wagering licensee as an incentive to
18 engage in internet wagering.

19 NEW SUBSECTION. 22. "*Rake*" means a set fee or percentage of
20 the pot assessed by an internet wagering licensee for providing
21 the internet wagering services to a person engaging in internet
22 wagering for the right to participate in internet wagering.

23 NEW SUBSECTION. 23. "*Tournament fee*" means a set fee
24 assessed to a person engaging in internet wagering by the
25 internet wagering licensee for providing internet wagering
26 tournament services.

27 Sec. 3. Section 99F.3, Code 2011, is amended to read as
28 follows:

29 **99F.3 Gambling games authorized.**

30 The system of wagering on a gambling game as provided
31 by this chapter is legal, when conducted on an excursion
32 gambling boat, gambling structure, or racetrack enclosure at
33 authorized locations by a licensee, or, for internet wagering,
34 when conducted by an internet wagering licensee pursuant to
35 requirements established by the commission, as provided in this

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1 chapter.

2 Sec. 4. Section 99F.4, subsections 14 and 22, Code 2011, are
3 amended to read as follows:

4 14. To require, except for internet wagering, all licensees
5 of gambling game operations to utilize a cashless wagering
6 system whereby all players' money is converted to tokens,
7 electronic cards, or chips which only can be used for wagering
8 on the excursion gambling boat.

9 22. To require licensees to establish a process to allow a
10 person to be voluntarily excluded for life from an excursion
11 gambling boat and all other licensed facilities under this
12 chapter and chapter 99D, or from engaging in internet wagering
13 conducted by an internet wagering licensee under this chapter.
14 For internet wagering licensees, the process shall allow
15 players to limit the maximum amount of money that may be
16 transferred by that player into an internet wagering account
17 in a twenty-four-hour period. The process established shall
18 require that a licensee disseminate information regarding
19 persons voluntarily excluded to all licensees under this
20 chapter and chapter 99D. The state and any licensee under
21 this chapter or chapter 99D shall not be liable to any person
22 for any claim which may arise from this process. In addition
23 to any other penalty provided by law, any money or thing of
24 value that has been obtained by, or is owed to, a voluntarily
25 excluded person by a licensee as a result of wagers made by the
26 person after the person has been voluntarily excluded shall not
27 be paid to the person but shall be credited to the general fund
28 of the state.

29 Sec. 5. Section 99F.4, Code 2011, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 27. To establish requirements for internet
32 wagering licensees to conduct internet wagering on poker as
33 provided in this chapter. At a minimum, the requirements shall
34 include security measures to insure the integrity of internet
35 wagering and technical standards governing the technology used

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1 to conduct internet wagering.

2 Sec. 6. NEW SECTION. 99F.4E Internet wagering on poker —
3 licensing — requirements.

4 1. Upon application by a licensee authorized to conduct
5 gambling games under this chapter, the commission shall issue
6 an internet wagering license to the licensee subject to the
7 provisions of this chapter and rules adopted pursuant to this
8 chapter relating to gambling and internet wagering. A single
9 joint license to conduct internet wagering may be issued to
10 more than one licensee authorized to conduct gambling games
11 under this chapter if the application includes an agreement
12 delineating how each licensee subject to the agreement shall
13 distribute at least three percent of the adjusted gross
14 receipts from internet wagering on poker from the joint
15 license for each license year for educational, civic, public,
16 charitable, patriotic, or religious uses as defined in section
17 99B.7, subsection 3, paragraph "b", as otherwise required by
18 this chapter. The issuance of a joint license to conduct
19 internet wagering by more than one licensee under this chapter
20 shall not be considered the issuance of a new license under
21 this chapter.

22 2. An internet wagering licensee shall comply with the
23 following requirements:

24 a. Internet wagering shall be limited to wagering on poker
25 and all of its variations, including but not limited to Texas
26 hold 'em, Omaha hold 'em, draw poker, and stud poker.

27 b. Internet wagering shall be conducted by the licensee
28 through a single internet site.

29 c. Internet wagering shall be limited to only those persons
30 who have registered with the licensee to engage in internet
31 wagering. To register, a person shall provide sufficient
32 information to the licensee to verify that the person is at
33 least twenty-one years of age and is otherwise authorized to
34 engage in internet wagering in this state.

35 d. (1) If an internet wagering license is issued to one

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1 licensee authorized to conduct gambling games under this
2 chapter, adjusted gross receipts received by the gambling games
3 licensee under this chapter from internet wagering each fiscal
4 year shall be added to the adjusted gross receipts received
5 by the licensee from gambling games other than from internet
6 wagering for purposes of imposing a tax on the adjusted gross
7 receipts received by the licensee as provided in section
8 99F.11.

9 (2) If a joint internet wagering license is issued to more
10 than one licensee authorized to conduct gambling games under
11 this chapter, the tax rate imposed on adjusted gross receipts
12 from internet wagering on poker each fiscal year pursuant to
13 section 99F.11 shall be twenty-two percent or, if a majority
14 of participating licensees on the joint license are otherwise
15 subject to a tax rate of twenty-four percent on adjusted gross
16 receipts from gambling games over three million dollars under
17 section 99F.11, twenty-four percent.

18 e. Any other requirements as the commission establishes
19 to ensure the legality and integrity of conducting internet
20 wagering in this state.

21 Sec. 7. Section 99F.6, subsection 1, unnumbered paragraph
22 1, Code Supplement 2011, is amended to read as follows:

23 A person shall not be issued a license to conduct gambling
24 games on an excursion gambling boat or a license to operate
25 an excursion gambling boat under this chapter, an internet
26 wagering license, an occupational license, a distributor
27 license, or a manufacturer license unless the person has
28 completed and signed an application on the form prescribed and
29 published by the commission. The application shall include
30 the full name, residence, date of birth and other personal
31 identifying information of the applicant that the commission
32 deems necessary. The application shall also indicate whether
33 the applicant has any of the following:

34 Sec. 8. Section 99F.7, subsection 1, Code Supplement 2011,
35 is amended to read as follows:

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1 1. If the commission is satisfied that this chapter and
2 its rules adopted under this chapter applicable to licensees
3 have been or will be complied with, the commission shall issue
4 a license for a period of not more than three years to an
5 applicant to own a gambling game operation, to an applicant to
6 operate a gambling structure, ~~and~~ to an applicant to operate
7 an excursion gambling boat, and to a gambling games licensee
8 who submits an application to conduct internet wagering. The
9 commission shall decide which of the gambling games authorized
10 under this chapter the commission will permit. The commission
11 shall decide the number, location, and type of gambling
12 structures and excursion gambling boats licensed under this
13 chapter. The commission shall allow the operation of an
14 excursion boat or moored barge on or within one thousand feet
15 of the high water marks of the rivers, lakes, and reservoirs
16 of this state as established by the commission in consultation
17 with the United States army corps of engineers, the department
18 of natural resources, or other appropriate regulatory agency.
19 The license shall set forth, as applicable, the name of the
20 licensee, the type of license granted, the location of the
21 gambling structure or the place where the excursion gambling
22 boats will operate and dock, and the time and number of days
23 during the excursion season and the off season when gambling
24 may be conducted by the licensee.

25 Sec. 9. Section 99F.9, subsections 3 and 5, Code 2011, are
26 amended to read as follows:

27 3. The licensee may receive wagers only from a person
28 present on a licensed excursion gambling boat, licensed
29 gambling structure, or in a licensed racetrack enclosure, or
30 from a person engaging in internet wagering. An internet wager
31 may be placed from any location within this state or from
32 any other location where authorized by law, subject to any
33 requirements adopted by the commission.

34 5. A person under the age of twenty-one years shall not
35 engage in internet wagering or make or attempt to make a wager



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1 on an excursion gambling boat, gambling structure, or in a
2 racetrack enclosure and shall not be allowed on the gaming
3 floor of an excursion gambling boat or gambling structure or
4 in the wagering area, as defined in section 99D.2, or on the
5 gaming floor of a racetrack enclosure. However, a person
6 eighteen years of age or older may be employed to work on
7 the gaming floor of an excursion gambling boat or gambling
8 structure or in the wagering area or on the gaming floor of a
9 racetrack enclosure. A person who violates this subsection
10 with respect to engaging in internet wagering or making or
11 attempting to make a wager commits a scheduled violation under
12 section 805.8C, subsection 5, paragraph "a".

13 Sec. 10. Section 99F.12, subsection 2, Code 2011, is amended
14 to read as follows:

15 2. The licensee shall furnish to the commission reports
16 and information as the commission may require with respect to
17 the licensee's activities. The gross receipts and adjusted
18 gross receipts from gambling shall be separately handled and
19 accounted for from all other moneys received from operation of
20 an excursion gambling boat or from operation of a racetrack
21 enclosure or gambling structure licensed to conduct gambling
22 games. For an internet wagering licensee, the gross receipts
23 and adjusted gross receipts from internet wagering shall be
24 separately handled and accounted for from all other moneys
25 received from other licensed activities of the licensee. The
26 commission may designate a representative to board a licensed
27 excursion gambling boat or to enter a racetrack enclosure or
28 gambling structure licensed to conduct gambling games. The
29 representative shall have full access to all places within the
30 enclosure of the boat, the gambling structure, or the racetrack
31 enclosure and shall directly supervise the handling and
32 accounting of all gross receipts and adjusted gross receipts
33 from gambling. The representative shall supervise and check
34 the admissions. The compensation of a representative shall be
35 fixed by the commission but shall be paid by the licensee.

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1 Sec. 11. Section 99F.12, Code 2011, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 2A. a. An internet wagering licensee
4 shall, in addition to the books and records otherwise required
5 by this section, make the following information available to
6 the commission upon request:

7 (1) Monthly auditable and aggregate financial statements of
8 internet wagering transactions.

9 (2) Calculation of all fees payable to government.

10 (3) The identity of registered players.

11 (4) The balance on a registered player's account at the
12 start of a session of play.

13 (5) The wagers placed on each game time stamped by the games
14 server.

15 (6) The result of each game time stamped by the games
16 server.

17 (7) The amount won or lost by a registered player.

18 (8) The balance on a registered player's account at the end
19 of the game.

20 b. Information described in paragraph "a", subparagraphs (3)
21 through (8), shall be confidential.

22 Sec. 12. Section 99F.15, subsection 3, Code 2011, is amended
23 to read as follows:

24 3. A Except for internet wagering conducted as authorized
25 by this chapter, a person wagering or accepting a wager at
26 any location outside an excursion gambling boat, gambling
27 structure, or a racetrack enclosure is in violation of section
28 725.7.

29 Sec. 13. Section 99F.15, subsection 4, unnumbered paragraph
30 1, Code 2011, is amended to read as follows:

31 A person commits a class "D" felony and, in addition, shall
32 be barred for life from internet wagering, excursion gambling
33 boats, and gambling structures under the jurisdiction of the
34 commission, if the person does any of the following:

35

EXPLANATION

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1 This bill permits licensees authorized to conduct gambling
2 games under Code chapter 99F to apply for and receive a license
3 to conduct internet wagering on poker.

4 Code section 99F.1, concerning definitions, is amended. The
5 bill defines "internet wagering" as a method of wagering by
6 which a person may establish an account, deposit money into the
7 account, and use the account balance for wagering by utilizing
8 electronic communication. The definition of "adjusted gross
9 receipts" is amended to mean, for internet wagering, the
10 gross receipts for internet wagering on poker from rake and
11 tournament fees less winnings and player incentives paid
12 to wagerers. The terms "player incentives", "rake", and
13 "tournament fees", for purposes of internet wagering, are also
14 defined.

15 Code section 99F.4, concerning the powers of the state
16 racing and gaming commission, is amended to provide that the
17 commission shall establish requirements for internet wagering.
18 The Code section is also amended to provide that the current
19 process that allows a person to be voluntarily excluded from a
20 gambling facility shall also apply to internet wagering.

21 New Code section 99F.4E establishes the process for
22 licensing and conducting internet wagering. The bill
23 authorizes current gambling games licensees to apply for an
24 internet wagering license and allows more than one existing
25 licensee to jointly apply for an internet wagering license.
26 The bill provides that if more than one licensee applies for a
27 joint license, the licensees shall indicate how the licensees
28 shall distribute at least 3 percent of the adjusted gross
29 receipts from internet wagering on charitable purposes. The
30 bill provides that internet wagering shall be limited to poker,
31 shall be conducted through a single internet site, and shall
32 be limited to persons who have registered with the licensee to
33 conduct internet wagering. The bill provides that if a single
34 gambling games licensee is issued an internet wagering license,
35 the adjusted gross receipts from internet wagering shall be

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1 included as part of the licensee's adjusted gross receipts for
2 purposes of applying the wagering tax pursuant to Code section
3 99F.11. The bill further provides that if a joint internet
4 wagering license is issued to more than one gambling games
5 licensee, the wagering tax imposed on adjusted gross receipts
6 from internet wagering pursuant to Code section 99F.11 shall be
7 22 percent or, if the majority of participating licensees are
8 otherwise subject to a wagering tax of 24 percent under Code
9 section 99F.11, 24 percent.

10 Code section 99F.9, concerning wagering, is amended to
11 provide that wagers through internet wagering are authorized
12 and can be made from any location within this state or as
13 authorized by law subject to any requirements adopted by the
14 commission. The Code section is also amended to provide
15 that limits on wagering for persons under the age of 21 at
16 an excursion gambling boat, gambling structure, or racetrack
17 enclosure also apply to internet wagering.

18 Code section 99F.12, concerning licensee reporting
19 requirements, is amended to provide that an internet wagering
20 licensee shall separately account for the gross receipts and
21 adjusted gross receipts from internet wagering. The bill
22 also provides that an internet wagering licensee shall make
23 available to the racing and gaming commission information
24 concerning the identity and account balances of persons
25 engaging in internet wagering with the licensee as well as
26 information relative to individual poker games. The bill
27 provides that this information is confidential.

28 Code section 99F.15, concerning prohibited activities and
29 penalties, is amended to provide that a person who commits a
30 class "D" felony relative to certain activities relating to
31 gambling shall also be barred for life from internet wagering
32 in the same manner as the person would be barred from excursion
33 gambling boats and gambling structures.



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Senate Study Bill 3165 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON RIELLY)

A BILL FOR

1 An Act relating to motorcycle dealer activities at motorcycle
2 rallies and to the definition of travel trailer for purposes
3 of travel trailer dealer requirements.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6062SC (2) 84
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1 Section 1. Section 322.2, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 11A. "Motorcycle" means as defined in
4 section 321.1. "Motorcycle" does not include an all-terrain
5 vehicle as defined in section 321.1.

6 Sec. 2. Section 322.4, subsection 1, paragraph g, Code 2011,
7 is amended to read as follows:

8 g. Before the issuance of a motor vehicle dealer's license
9 to a dealer engaged in the sale of vehicles for which a
10 certificate of title is required under chapter 321, or the
11 issuance of a temporary permit under section 322.5, subsection
12 6, paragraph "b", the applicant shall furnish a surety bond
13 executed by the applicant as principal and executed by a
14 corporate surety company, licensed and qualified to do business
15 within this state, which bond shall run to the state of Iowa,
16 be in the amount of fifty thousand dollars and be conditioned
17 upon the faithful compliance by the applicant as a dealer with
18 all of the statutes of this state regulating or applicable to
19 the business of a dealer in motor vehicles, and indemnifying
20 any person who buys a motor vehicle from the dealer from any
21 loss or damage occasioned by the failure of the dealer to
22 comply with any of the provisions of chapter 321 and this
23 chapter, including but not limited to the furnishing of a
24 proper and valid certificate of title to the motor vehicle
25 involved in a transaction. The bond shall also indemnify any
26 motor vehicle purchaser from any loss or damage caused by the
27 failure of the dealer to comply with the odometer requirements
28 in section 321.71, regardless of whether the motor vehicle was
29 purchased directly from the dealer. The bond shall be filed
30 with the department prior to the issuance of a license or
31 permit. The aggregate liability of the surety, however, shall
32 not exceed the amount of the bond.

33 Sec. 3. Section 322.5, Code 2011, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 6. a. Upon application for and receipt

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1 of a temporary permit issued by the department under this
2 subsection, a motor vehicle dealer authorized to sell used
3 motorcycles may display, offer for sale, and negotiate sales of
4 used motorcycles at a motorcycle rally located in this state
5 that meets all of the following conditions:

6 (1) The sponsor of the rally conducts not more than one
7 rally annually in this state.

8 (2) The rally is conducted for a single period of not less
9 than three and not more than seven consecutive days.

10 (3) Attendance at the rally is restricted to persons who
11 have paid a nonrefundable admission fee to the sponsor of the
12 rally.

13 b. A person licensed as a motor vehicle dealer in another
14 state may apply for and be issued a temporary permit under this
15 subsection if the person meets all of the following conditions:

16 (1) The person presents the department with a current motor
17 vehicle dealer license valid for the sale of used motorcycles
18 at retail in the person's state of residence.

19 (2) The state in which the person is licensed as a motor
20 vehicle dealer allows a motor vehicle dealer licensed in Iowa
21 to be issued a permit substantially similar to the temporary
22 permit authorized under this section.

23 (3) The person furnishes to the department a surety bond
24 that meets the requirements of section 322.4, subsection 1,
25 paragraph "g".

26 (4) The person presents any additional information the
27 department may require.

28 c. Application for a temporary permit under this subsection
29 shall be made on forms provided by the department accompanied
30 by a fee established by the department by rule.

31 d. A sale of a motorcycle at a motorcycle rally shall not be
32 completed and an agreement for the sale of a motorcycle shall
33 not be signed at a motorcycle rally. All such sales shall be
34 consummated at the motor vehicle dealer's principal place of
35 business.



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1 e. The department may issue a temporary permit under this
2 subsection for a period not to exceed seven consecutive days.
3 A motor vehicle dealer may not receive more than one temporary
4 permit issued under this subsection in a calendar year.
5 Sec. 4. Section 322C.2, subsection 10, Code 2011, is amended
6 to read as follows:
7 10. "*Travel trailer*" means a vehicle without motive power
8 used or so manufactured or constructed as to permit its being
9 used as a conveyance upon the public streets and highways and
10 designed to permit the vehicle to be used as a place of human
11 habitation by one or more persons. The vehicle may be up to
12 eight feet six inches in width and its overall length shall not
13 exceed forty feet. "*Travel trailer*" does not include a vehicle
14 that is so designed as to permit it to be towed exclusively by
15 a motorcycle.

16 EXPLANATION

17 This bill provides for the display of used motorcycles
18 offered for sale at motorcycle rallies, provided the sponsor of
19 the rally holds no more than one rally per year in this state,
20 the rally is conducted for not less than three and not more
21 than seven days, and attendance at the rally is restricted to
22 persons paying a nonrefundable admission fee.

23 Under the bill, a person licensed as a motor vehicle dealer
24 and authorized to sell used motorcycles may apply to the
25 department of transportation for a temporary permit to display,
26 offer for sale, and negotiate sales of used motorcycles at a
27 rally. The fee for the permit is to be established by the
28 department by rule. A temporary permit may be issued for a
29 period of not more than seven days, and a motor vehicle dealer
30 may not be issued more than one such permit in a calendar year.

31 A person licensed as a motor vehicle dealer in another
32 state may be issued a temporary permit to display, offer for
33 sale, and negotiate sales of used motorcycles at a rally in
34 this state if the dealer presents to the department a current
35 license valid for the sale of used motorcycles at retail in

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1 the person's state of residence, provided that the dealer's
2 home state extends similar privileges to a dealer licensed in
3 this state. A dealer from another state must furnish a surety
4 bond that meets current requirements for motor vehicle dealer
5 licensing.

6 A temporary permit issued under the bill does not allow
7 a dealer to complete the sale of a used motorcycle at a
8 motorcycle rally. The bill specifies that the sale shall not
9 be completed and a sales agreement shall not be signed at the
10 rally. The sale must be consummated at the motor vehicle
11 dealer's principal place of business.

12 The bill amends the definition of "travel trailer" for
13 purposes of Code chapter 322C to exclude vehicles designed to
14 be towed exclusively by a motorcycle. As a result, sales of
15 motorcycle trailers are exempt from the travel trailer dealer
16 licensing requirements and from a specific provision in Code
17 section 322C.12 relating to finance charges under a travel
18 trailer retail installment contract.



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Senate Study Bill 3166 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON EDUCATION BILL BY
CHAIRPERSON QUIRMBACH)

A BILL FOR

1 An Act establishing an internet site to distribute information
2 regarding internship opportunities in Iowa.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **261.130 Iowa internship connection.**

2 1. By January 1, 2013, the commission shall establish
3 an internet site for the purpose of distributing information
4 regarding internship opportunities available in Iowa. The
5 internet site shall be known as the Iowa internship connection.

6 2. The internet site shall include means for students
7 attending accredited public and nonpublic high schools, regents
8 institutions, community colleges, and accredited private
9 institutions as defined in section 261.9, and Iowa residents
10 attending postsecondary educational institutions outside
11 of Iowa, to obtain information about and seek internship
12 opportunities in Iowa. The internet site shall include means
13 for a student to post contact information, interests, and
14 qualifications for internship opportunities.

15 3. The internet site shall include means for private
16 businesses, state and local government agencies, and
17 nonprofit organizations to post information about internship
18 opportunities and to seek applicants for internship
19 opportunities. The internet site shall include a searchable
20 database of such information.

21 EXPLANATION

22 This bill directs the college student aid commission to
23 establish by January 1, 2013, an internet site for the purpose
24 of distributing information regarding internship opportunities
25 available in Iowa. The internet site shall be known as the
26 Iowa internship connection.

27 The bill provides that the internet site shall include
28 means for students attending accredited public and nonpublic
29 high schools, regents institutions, community colleges, and
30 accredited private institutions, and Iowa residents attending
31 postsecondary educational institutions outside of Iowa, to
32 obtain information about and seek internship opportunities in
33 Iowa. The bill provides that the internet site shall also
34 include means for a student to post contact information,
35 interests, and qualifications for internship opportunities.

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1 The bill provides that the internet site shall include
2 means for private businesses, state and local government
3 agencies, and nonprofit organizations to post information
4 about internship opportunities and to seek applicants for
5 internship opportunities, as well as a searchable database of
6 such information.